

# **EXHIBIT F-3**

**[CLAIM 0168-0245]**



Page Three  
22907-28823  
Copart of Florida

dismantlers, rebuilders and used vehicle dealers. The salvage vehicles which Copart obtains are either damaged in an accident or deemed a total loss from some other occurrence.

The Company offers a full range of services which expedite each stage of the salvage vehicle sale process and provides administrative and processing costs. Copart generates revenues primarily from the sale, fees paid by vehicle suppliers and vehicle buyers, as well as related fees for services, such as towing and storage.

## CAUSE OF LOSS

This loss involves damages associated with Hurricane Wilma that made landfall as a category II Hurricane in the State of Florida. The heavy winds caused damage to three (3) facilities owned by Copart where repairs are necessary.

## SUBROGATION

With regards to subrogation efforts on this loss, there does not appear to be any third party negligence involved. We have examined all the facilities in detail and determined there was no pre-existing damages or recent repairs at the locations. In light of these facts, possible recovery in this case would be nil.

## DETERMINATION OF VALUE

At present we do not have a copy of the insured's policy. It is unknown if there is a co-insurance percentage indicated in the Declarations page of the policy. Upon receipt of the insured's policy we will review and advise you on the insured's compliance.

## SCOPE OF DAMAGES

The involved locations sustained minor to extensive damages to all of the locations involved in Hurricane Wilma. The damages and necessary repairs to the three (3) damaged locations are as follows.

12850 N. W. 27<sup>th</sup> Avenue  
Miami, Florida

This particular location sustained significant wind damage to the office location where repairs are necessary. In our inspection we noted sections of the modified built up roof had been uplifted and blown off from the intense winds. As the intense winds and rain hit the facility of the insured



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22907-28823  
Copart of Florida, Inc.

location, subsequent water damages were sustained to the interior of the building, where repairs are necessary. We noted damages on the interior of the building to sheetrock walls, ceilings and electrical fixtures where repairs will be necessary. There was also significant damage to personal property in the form of office furniture and fixtures where repairs will be necessary. There was also significant damage to personal property in the form of office furniture, fixtures and computers.

1158 N.W. 36<sup>th</sup> Avenue  
Miami, Florida

This particular location has an office on the property, which is a metal building supported by steel framing and girders. The building roof is a standing metal seam roof attached to the steel purlins. The heavy winds in the vicinity of this location caused the entire section of the metal seam roof on the entire span of the building to be completely uplifted. The steel purlins and steel framing were also significantly damaged and caused sections of the building framing to collapse. In our inspection of the property we noted the City of Miami had condemned the building as a dangerous structure and has rendered it a total loss. We did take the liberty of contacting the local building inspector, who confirmed that the building was a total loss and it would require complete dismantling and re-building.

Other damages sustained in this building were done to the office furniture, fixtures and supplies which we noted were wet from water entering the building as the roof was removed from the location. The electronic security fence around the perimeter of the facility was damaged as well. We have instructed the insured to obtain technicians to make repairs and advise us on the costs for review and audit.

The insured did take the liberty to rent trailers and place on the property so business activities could continue as usual. These items will be covered under the Extra Expense coverage on the insured's policy.

7686 W. Belvedere Road  
West Palm Beach, Florida

This particular location sustained extensive damage to two (2) office buildings where the modified built-up roof was completely removed from the intense winds. Subsequent water entered the premises as the roof was removed, damaging personal property in the form of furniture, fixtures and supplies. We also noted the entire electronic security fence was damaged around the perimeter of the facility which will warrant repairs, as well.



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Copart of Florida

## ADJUSTMENT

All locations sustained damage and have been inspected at this time. The insured is in the process of securing a contractor who will make repairs to the various locations and will submit their claim for damages for our review and audit. Upon receipt of the insured's claim, we will be in a position to make recommendations to you regarding settlement.

## USE OF EXPERTS

None.


## SALVAGE

None.

## FUTURE HANDLING

1. Review insured's claim for damages
2. Prepare estimate of damages
3. Await copy of insured's policy
4. Propose settlement of the loss

We suggest you maintain your file on a thirty (30) day diary pending our next report.

  
ORVIN R. WILLS  
National General Adjuster  
770-457-9555, Ext. 223  
[willso@gabrobins.com](mailto:willso@gabrobins.com)

OW:mk

s\common\wills\22907\28823-1

# PHOTOSHEET



GAB Robins North America, Inc.

GAB ROBINS FILE NO.  
22907-28823

CUSTOMER CLAIM NO.  
BDU00309382

INSURED  
Copart of Florida

DATE OF LOSS

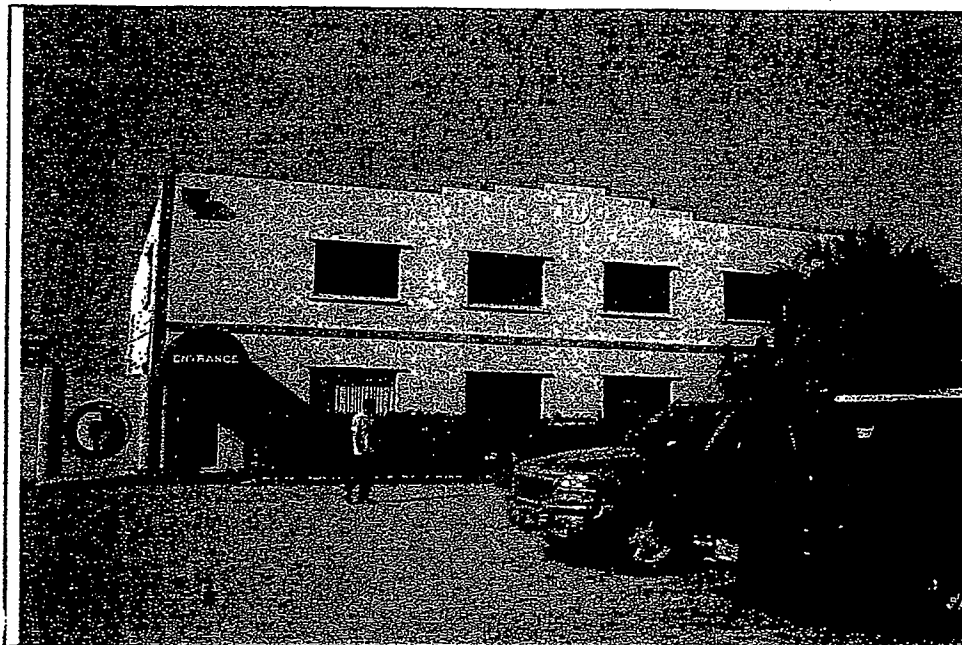
10/24/05

DATE & TIME TAKEN

11/1/05

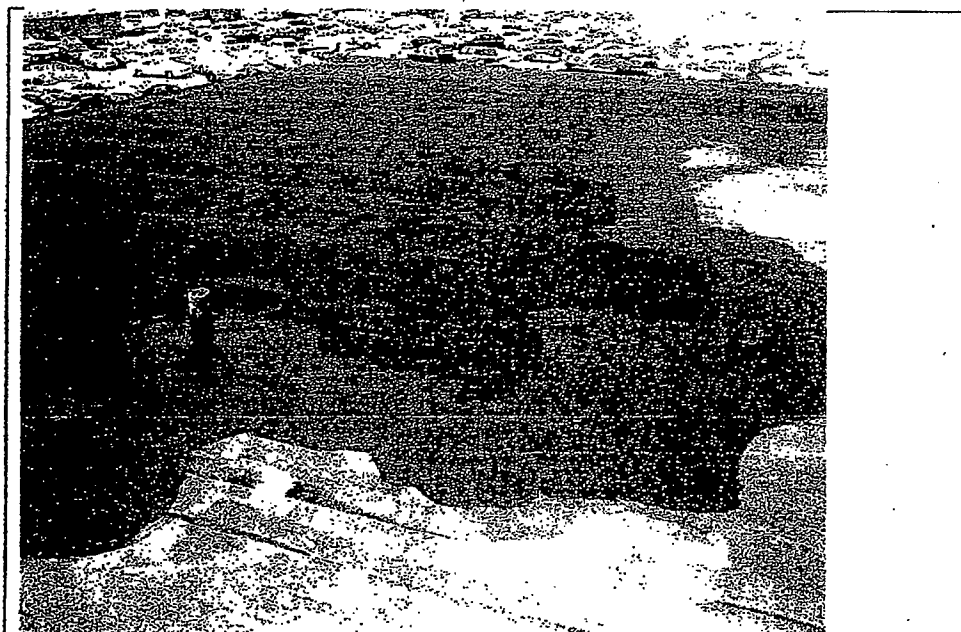
BY

Orvin Wills



PICTURE NO. 1

DESCRIPTION Front view of 27<sup>th</sup>  
Avenue location



PICTURE NO. 2

DESCRIPTION Damaged roof at 27<sup>th</sup>  
avenue location

PHOTOSHEET



GAB Robins North America, Inc.



PICTURE NO. 3

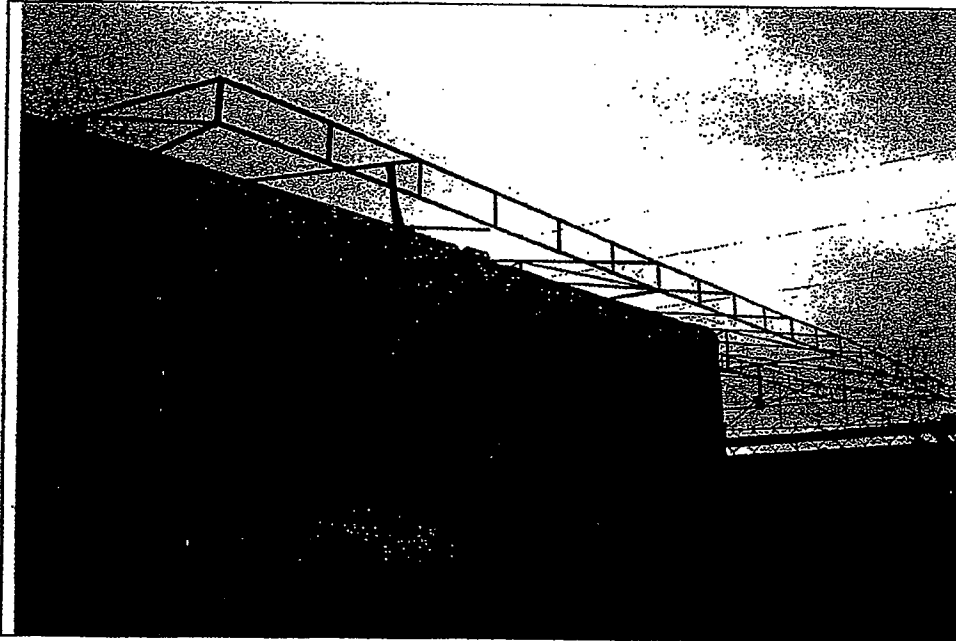
DESCRIPTION Damaged roof at 27<sup>th</sup>  
avenue location



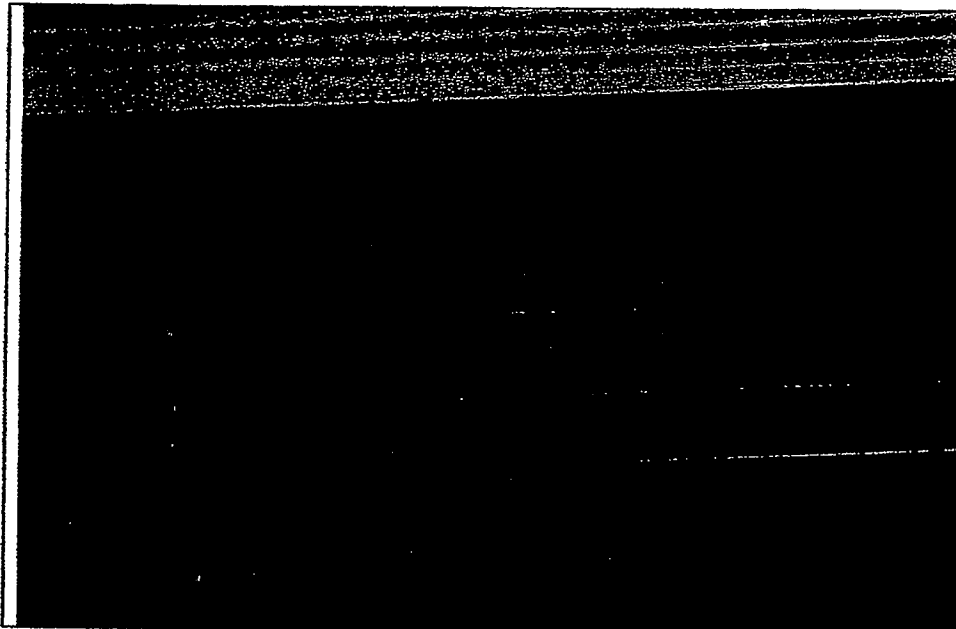
PICTURE NO. 4

DESCRIPTION Damaged and removed  
awning from 27<sup>th</sup> street location

PHOTOSHEET



PICTURE NO. 5  
DESCRIPTION Damaged and removed awning from 27<sup>th</sup> street location



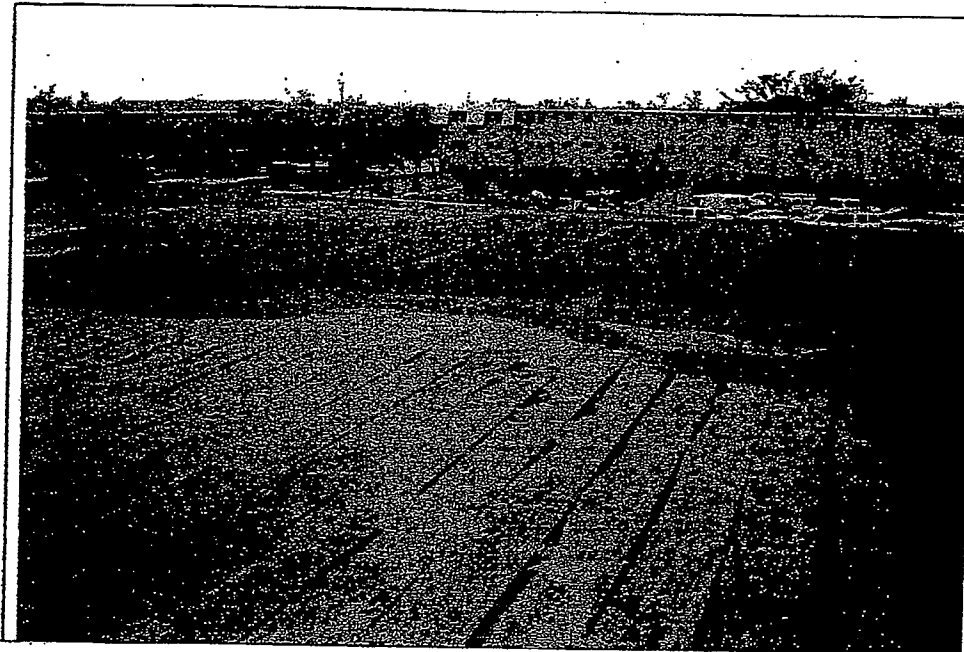
PICTURE NO. 6  
DESCRIPTION Uplift noted on interior of garage at 27<sup>th</sup> street location

## PHOTOSHEET



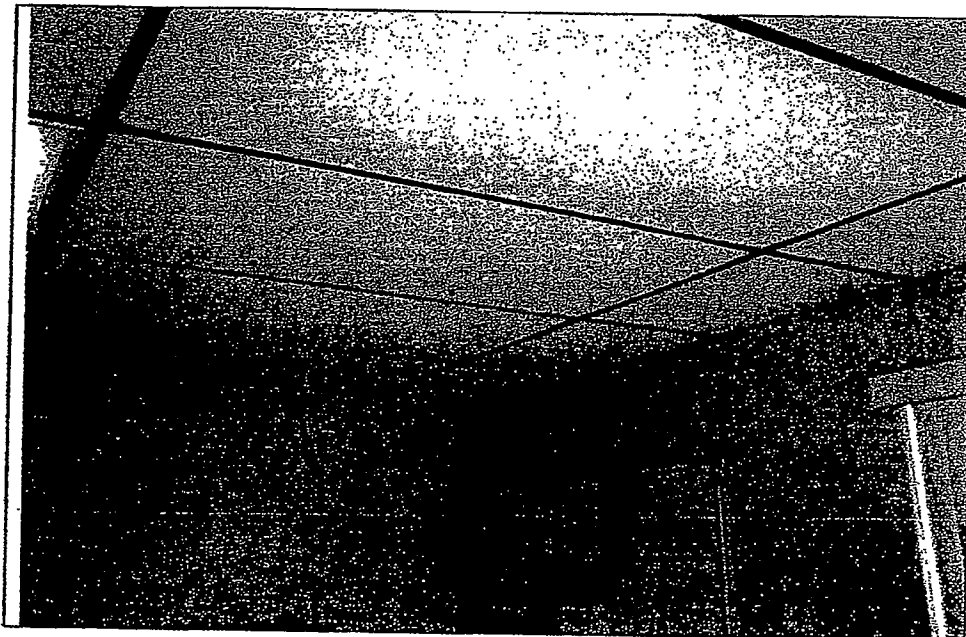


GAB Robins North America, Inc.



PICTURE NO. 7

DESCRIPTION Damaged roof at 27<sup>th</sup> street location



PICTURE NO. 8

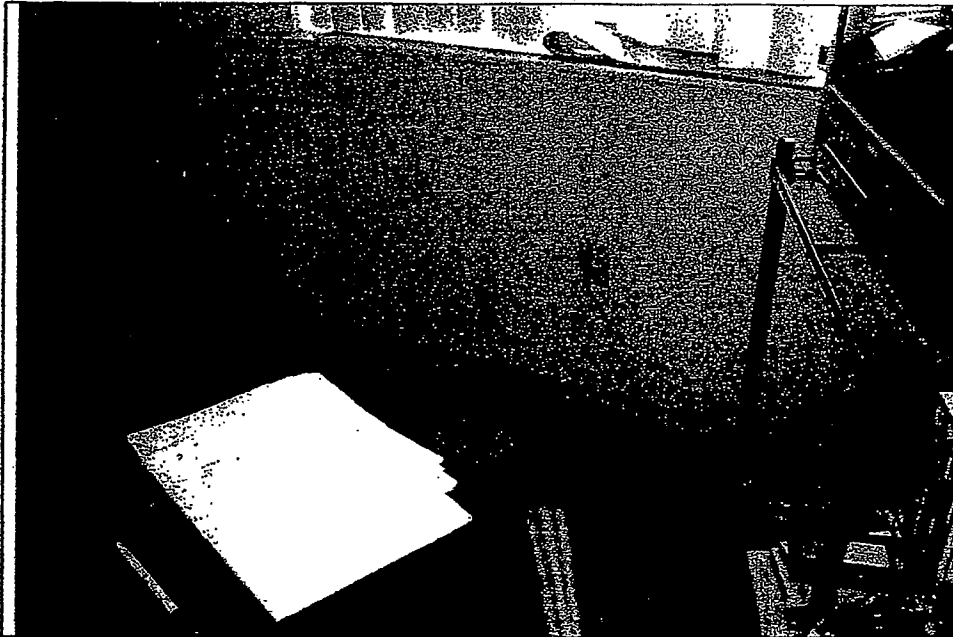
DESCRIPTION Damaged and repaired ceiling tiles at 27<sup>th</sup> street location

## PHOTOSHEET



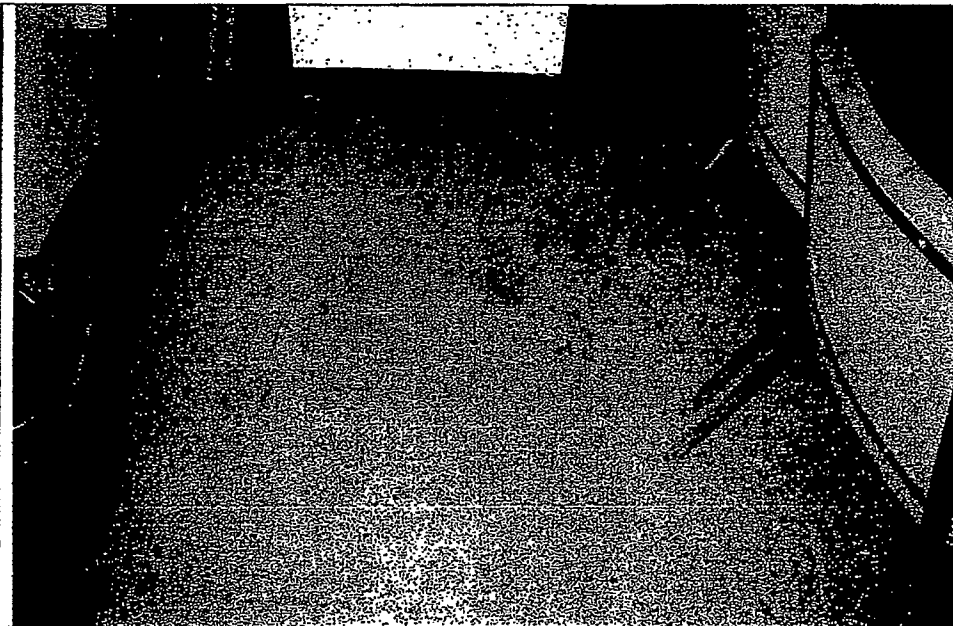


GAB Robins North America, Inc.



PICTURE NO. 10

DESCRIPTION Damaged carpeting  
and moulding at 27<sup>th</sup> street  
location



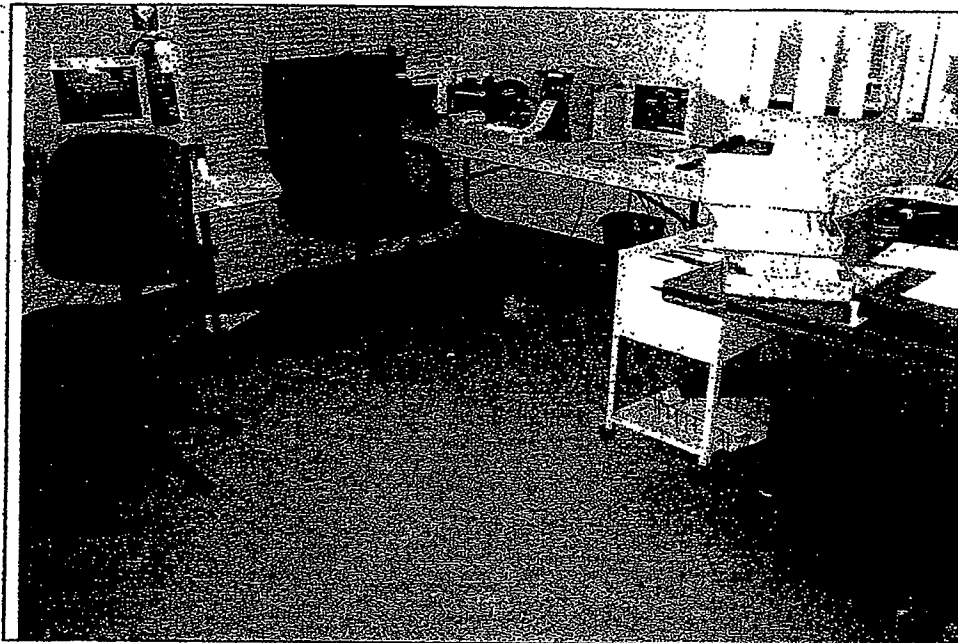
PICTURE NO. 11

DESCRIPTION Damaged carpeting at  
27<sup>th</sup> street location

## PHOTOSHEET



GAB Robins North America, Inc.



PICTURE NO. 12

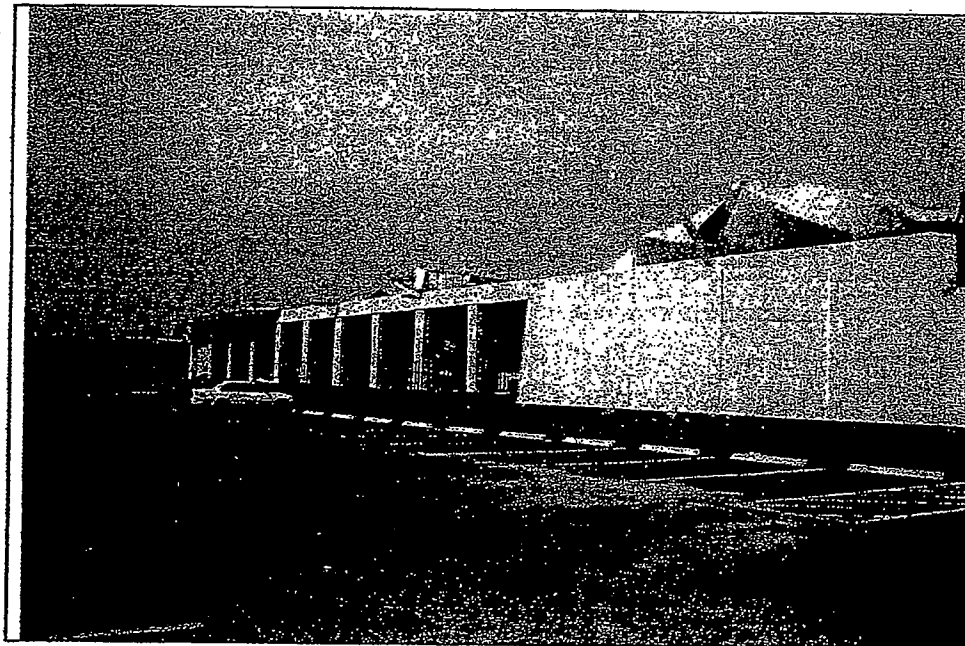
DESCRIPTION damaged carpeting at  
27<sup>th</sup> street location



PICTURE NO. 13

DESCRIPTION damaged carpeting at  
27<sup>th</sup> street location

## PHOTOSHEET



PICTURE NO. 14

DESCRIPTION Section of missing roof  
shown at the 36<sup>th</sup> avenue location



PICTURE NO. 15

DESCRIPTION Damaged structure at  
the 36<sup>th</sup> avenue location

## PHOTOSHEET



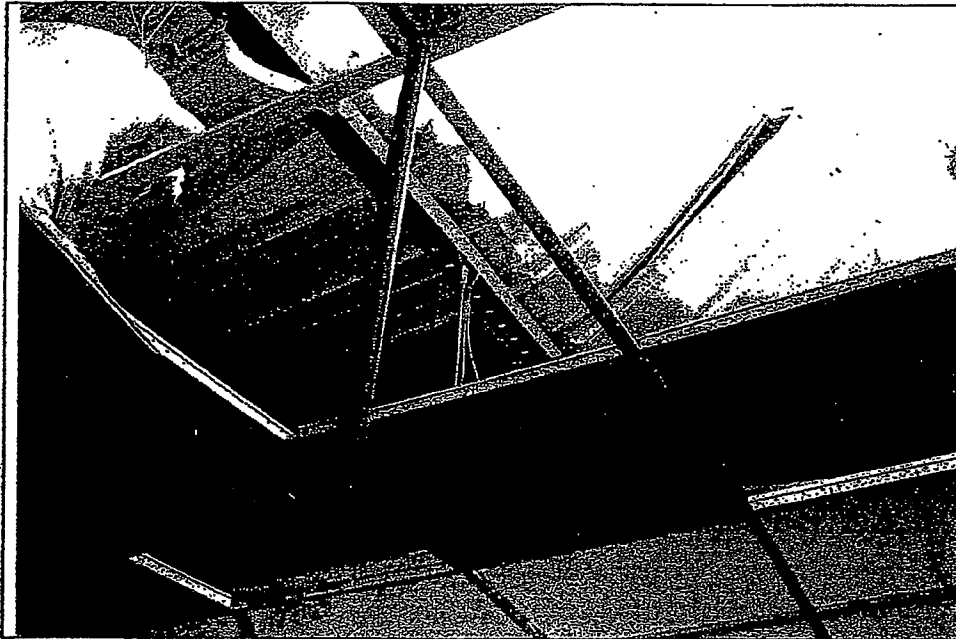
PICTURE NO. 16  
DESCRIPTION Damaged and removed metal seam wall from repair shop at 36 avenue location



PICTURE NO. 17  
DESCRIPTION Damaged steel framing and insulation at the 36 avenue location

## PHOTOSHEET





PICTURE NO. 18

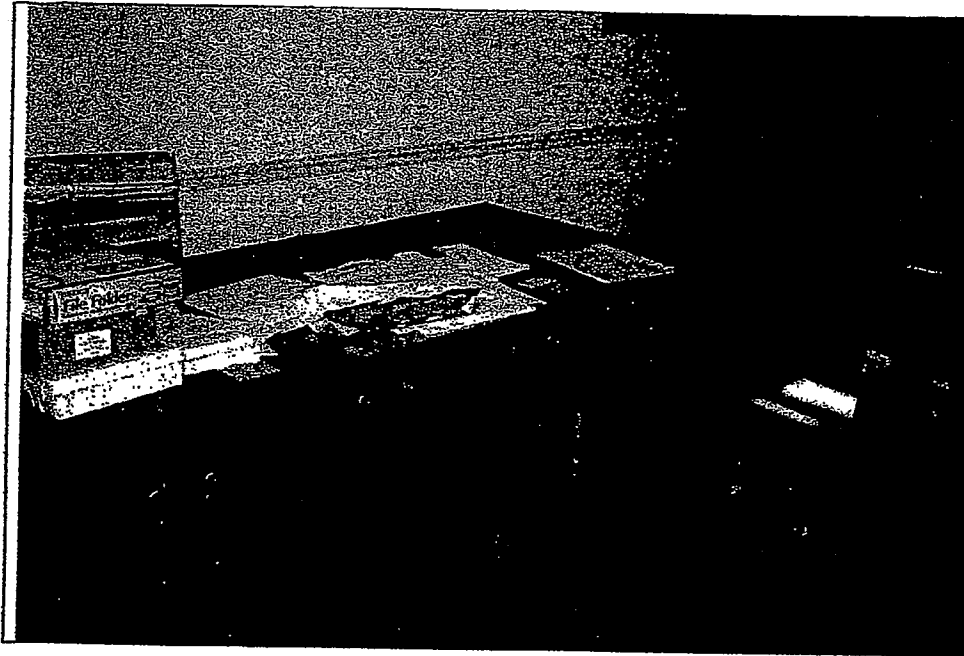
DESCRIPTION view of damaged and removed roof and interior damages to ceiling tiles and insulation



PICTURE NO. 19

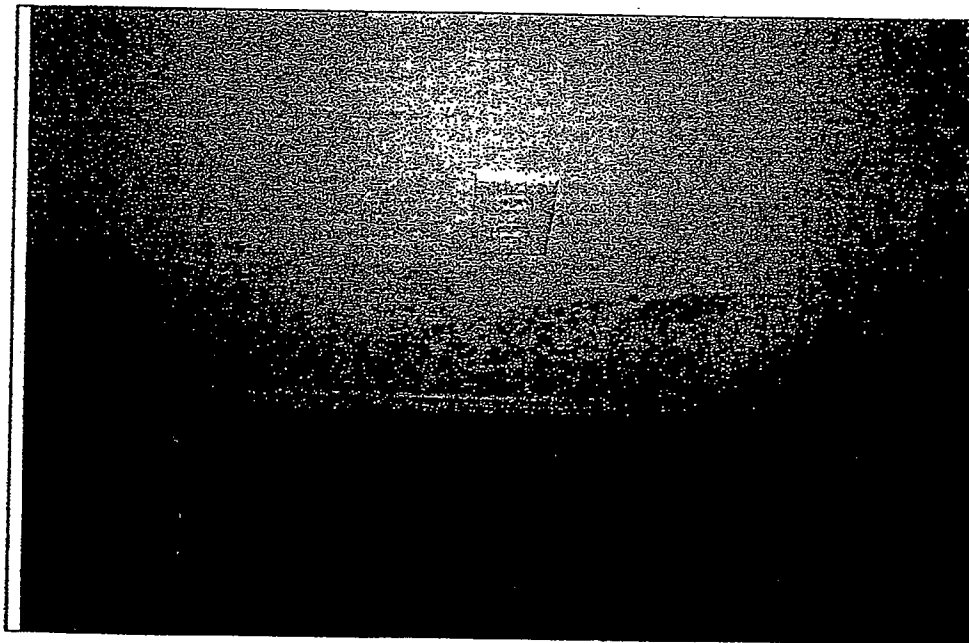
DESCRIPTION fallen insulation on interior of 36<sup>th</sup> avenue location

# PHOTOSHEET



PICTURE NO. 20

DESCRIPTION Damaged furniture at  
the 36<sup>th</sup> avenue location

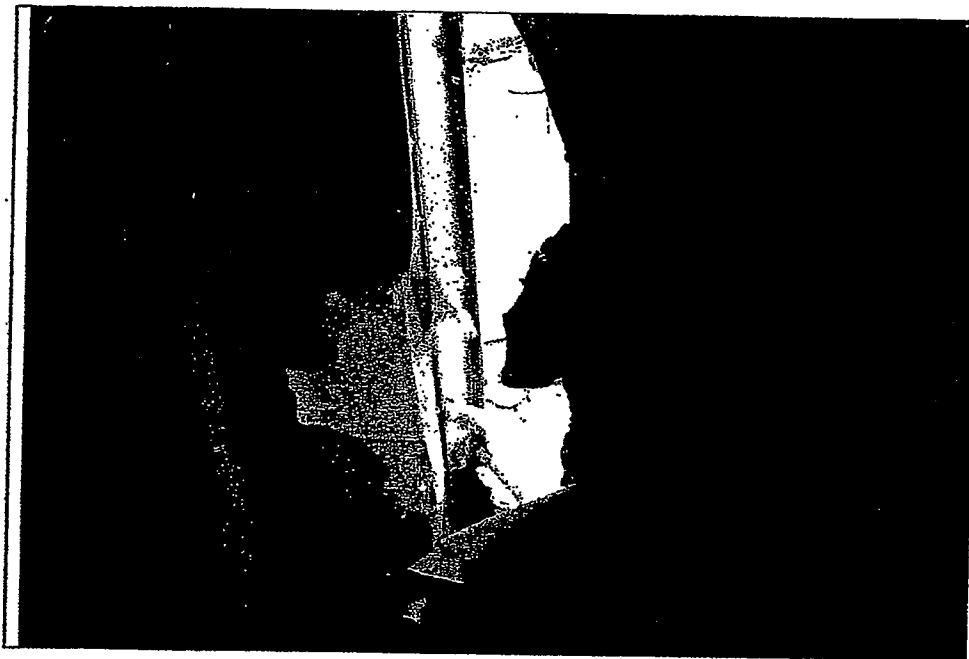


PICTURE NO. 21

DESCRIPTION Water damaged  
sheetrock walls

## PHOTOSHEET





PICTURE NO. 22

DESCRIPTION Damaged sheetrock  
wall at the 376 avenue location



PICTURE NO. 23

DESCRIPTION Damaged interior at 36  
avenue location

## PHOTOSHEET



PICTURE NO. 24  
DESCRIPTION Damaged furniture and fixtures



PICTURE NO. 25  
DESCRIPTION Damaged wall at the West Palm location

## PHOTOSHEET



PICTURE NO. 26

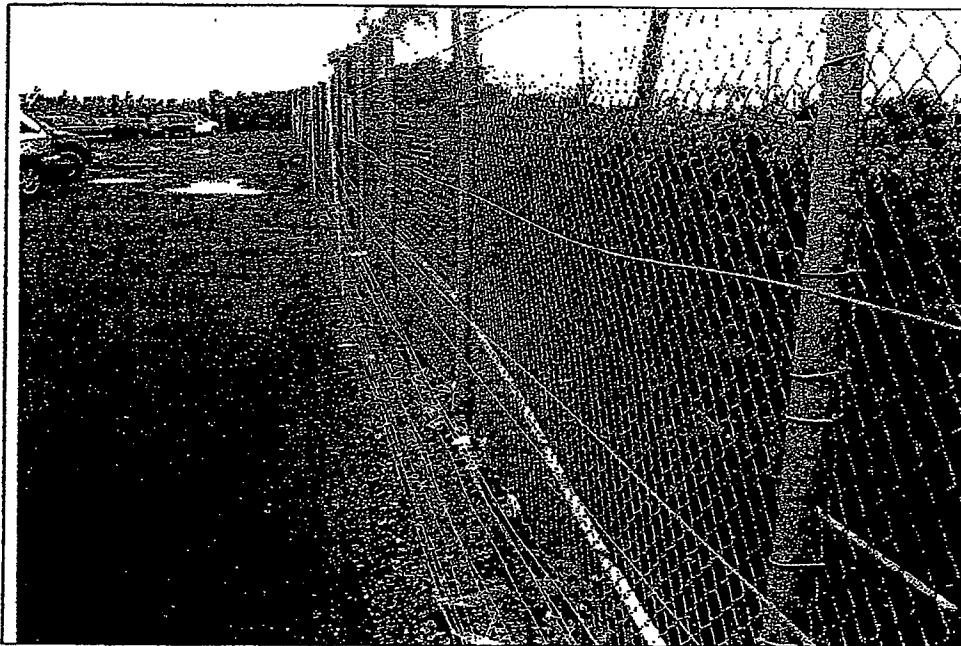
DESCRIPTION Damages sheetrock walls in office at the West Palm location



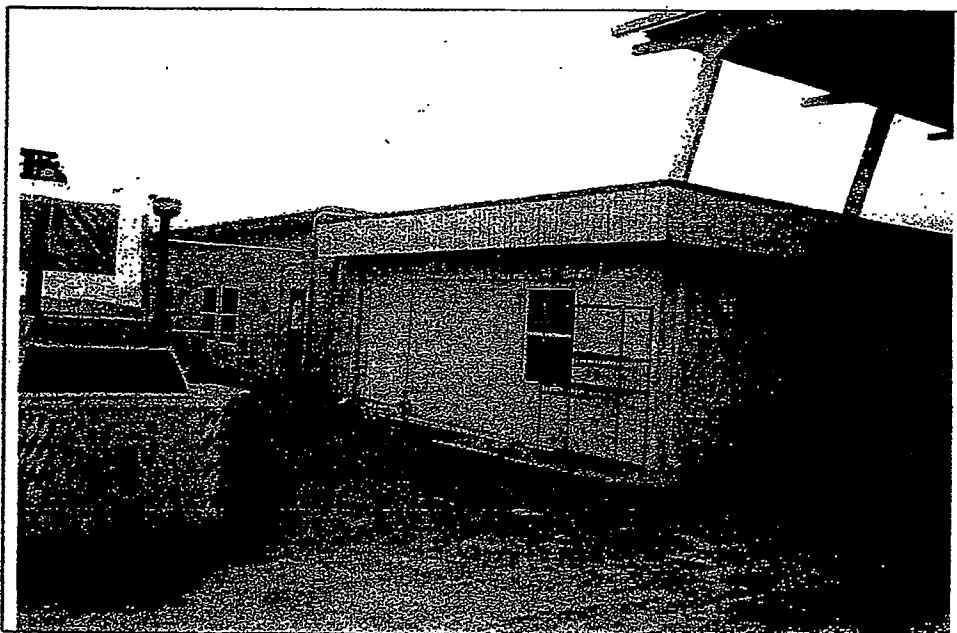
PICTURE NO. 27

DESCRIPTION Damaged and removed sheetrock walls

## PHOTOSHEET



PICTURE NO. 29  
DESCRIPTION Damaged security  
fence



PICTURE NO. 30  
DESCRIPTION view of offices at the  
West Palm location which  
sustained damages

## PHOTOSHEET





PICTURE NO. 31  
DESCRIPTION Damaged and removed membrane roof at the insured location in West Palm



PICTURE NO.  
DESCRIPTION

**CLAIM 0185**

11/9 Called into n/12 Let's meet.  
and kill 11/14.

4L All-Risk incl Flood  
\$5 mil Bldg, CR & ESP  
5 mil Bldg  
1 mil Flood

D/12 HSP \$10,000  
Flood 5% \$100K min  
w/1 5% 100K

4 Locations @ \$100K ea.  
West Palm

Kialan  
Pealaca (Miami)  
Bldg, CR, fence

Week's P/I for location.

Mike Carson - <sup>cell</sup> 281-705-5634

Siman 707-639-5209..



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**FACSIMILE TRANSMITTAL SHEET**

---

<b>To :</b>	Orvin Wills	<b>From:</b>	Carlton Clarke
<b>FAX Number:</b>	770-458-5474	<b>Date:</b>	November 29, 2005
<b>Company:</b>	G.A.B.-Robins	<b>Pages Incl. Cover:</b>	2
<b>Phone Number:</b>			
<b>Re:</b>	Our Insd: Copart of Florida		
	Our File: BDU00309382		

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**NOTES/COMMENTS:****NEW ASSIGNMENT**

Orvin,

Per our conversation, attached is a loss report for the captioned insured. Please note out file number as indicated above.

The contact person in Florida will be Mike Carson. His phone number is 281-705-5634. There are three loss locations involved. They are in West Palm, Hialeah, and Ocalaca (I think this is just outside of Miami). I am made to understand that there is building, contents, and business interruption loss.

Coverage is per an all risk policy with a limit of \$5 million. Flood is a covered peril. There is a general deductible of \$50,000, and a 5% TIV deductible for flood and named windstorm, with a \$100,000 minimum.

If after you have seen the locations, you think you may need a builder or an accountant, please give me a call.

Thanks for taking these on. I really appreciate it.

Best regards,



ACORD 30000309382 **NOTED** **LOSS**  
**CAT 4 PROPERTY LOSS NOTICE**

AGENCY MARSH RISK & INSURANCE SERVICES 3 EMBARCADERO CENTER SAN FRANCISCO, CA 94111 415-743-8000		PHONE (A/C, No, Ext) 415-743-8000		MISCELLANEOUS INFO (Site & location code)		DATE OF LOSS AND TIME 10/24/05 <input type="checkbox"/> AM <input type="checkbox"/> PM		PREVIOUSLY REPORTED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
FAX (A/C, No) 415-743-8055		E-MAIL ADDRESS:		POLICY TYPE PROP/ HOME		COMPANY AND POLICY NUMBER CO: United States Fire [Crum & Forster] POL: 2441886561		POLICY DATES EFF: 10/1/05 EXP: 10/1/06	
CODE:		SUB CODE:		FLOOD		CO: same POL: same		EFF: same EXP: same	
AGENCY CUSTOMER ID:				WIND		CO: same POL: same		EFF: same EXP: same	

INSURED NAME AND ADDRESS OF INSURED COPART OF FLORIDA, INC. COPART, INC. 4665 BUSINESS CENTER DRIVE FAIRFIELD, CA 94534 RESIDENCE PHONE (A/C, No)		CONTACT DATE OF BIRTH SOC SEC # OR FEIN:		CONTACT INSURED <input checked="" type="checkbox"/>		NAME AND ADDRESS OF INSURED	
BUSINESS PHONE (A/C, No, Ext) 707-639-5000 SIMON ROTE - VP, FINANCE		DATE OF BIRTH		RESIDENCE PHONE (A/C, No)		BUSINESS PHONE (A/C, No, Ext)	
NAME AND ADDRESS OF SPOUSE (IF APPLICABLE)		SOC SEC # OR FEIN:		WHERE TO CONTACT		WHEN TO CONTACT	

SCHEDULE OF HAZARDS LOCATION OF LOSS Florida locations		POLICE OF FIRE DEPT TO WHICH REPORTED	
KIND OF LOSS <input type="checkbox"/> FIRE <input type="checkbox"/> LIGHTNING <input checked="" type="checkbox"/> FLOOD <input checked="" type="checkbox"/> OTHER (explain) <input type="checkbox"/> THEFT <input type="checkbox"/> HAIL <input checked="" type="checkbox"/> WIND HURRICANE 'WILMA'		PROBABLE AMOUNT ENTIRE LOSS	
DESCRIPTION OF LOSS & DAMAGE (Use separate sheet, if necessary) ROOFS BLOWN OFF AT 3 LOCATIONS AS A RESULT OF HURRICANE WILMA: 1) Loc. #33 - 12850 NW 27 <sup>th</sup> Ave, Opa-Locka, FL 33054; 2) Loc. #70 - 7876 W. Belvedere, West Palm Beach, FL 33411; 3) Loc. #105 - 11858 NW 36 <sup>th</sup> Ave., Miami, FL 33167			

POLICY INFORMATION					
MORTGAGEE <input type="checkbox"/> NO MORTGAGEE					
HOMEOWNER POLICIES SECTION 1 ONLY (Complete for coverages A, B, C, D & additional coverages. For Homeowners Section II Liability Losses, use ACORD 3.)					
A. DWELLING	B. OTHER STRUCTURES	C. PERSONAL PROPERTY	D. LOSS OF USE	DEDUCTIBLES	DESCRIBE ADDITIONAL COVERAGES PROVIDED
					ON
<input type="checkbox"/> COVERAGE A. EXCLUDES WIND SUBJECT TO FORMS (insert form numbers and edition dates, special deductibles)					
FIRE, ALLIED LINES & MULTI-PERIL POLICIES (Complete only those items involved in loss)					
ITEM	SUBJECT OF INSURANCE	AMOUNT	% COINS	DEDUCTIBLE	COVERAGE AND/OR DESCRIPTION OF PROPERTY INSURED
	<input checked="" type="checkbox"/> BLDG <input checked="" type="checkbox"/> CNTS	52.5M PER OCCURRENCE		5%, \$100,000 Minimum - Wind	Real and All BPP, Stock/Inventory, B/EE, Contractors Equipment Special Form Causes of Loss - + Flood Endorsement \$1M limit
	<input type="checkbox"/> BLDG <input type="checkbox"/> CNTS				
	<input type="checkbox"/> BLDG <input type="checkbox"/> CNTS				
SUBJECT TO FORMS (insert form numbers and edition dates, special deductibles)					
FLOOD POLICY	BUILDING: CONTENTS:	DEDUCTIBLE: DEDUCTIBLE:	ZONE <input type="checkbox"/> PRE FIRM <input type="checkbox"/> POST FIRM	DIFF IN ELEV FORM TYPE	<input type="checkbox"/> GENERAL <input type="checkbox"/> CONDO <input type="checkbox"/> DWELLING <input type="checkbox"/>
WIND POLICY	BUILDING	DEDUCTIBLE	CONTENTS	ZONE FORM TYPE	<input type="checkbox"/> GENERAL <input type="checkbox"/> CONDO <input type="checkbox"/> DWELLING <input type="checkbox"/>
REMARKS/OTHER INSURANCE (List companies, policy numbers, coverages & policy amounts)/NY ONLY: PREVIOUS ADDRESS OF INSURED & WIFE'S MAIDEN NAME					
CAT #	FICO #	ADJUSTER ASSIGNED	ADJUSTER #	DATE ASSIGNED	
REPORTED BY	REPORTED TO	SIGNATURE OF INSURED		SIGNATURE OF PRODUCER	

ACORD 1 (2004/06)

NOTE: IMPORTANT STATE INFORMATION ON REVERSE SIDE

© ACORD CORPORATION 1988

CLAIM 0188

**Applicable in Arizona**

For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

**Applicable in Arkansas, District of Columbia, Kentucky, Louisiana, Maine, Michigan, New Jersey, New Mexico, New York, Pennsylvania, Tennessee, Virginia and West Virginia**

Any person who knowingly and with intent to defraud any insurance company or another person, files a statement of Claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact, material thereto, commits a fraudulent insurance act, which is a crime, subject to criminal prosecution and [NY: substantial] civil penalties. In DC, LA, ME, TN and VA, insurance benefits may also be denied.

**Applicable in California**

For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Applicable in Colorado**

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**Applicable in Florida and Idaho**

Any person who Knowingly and with the intent to injure, Defraud or Deceive any Insurance Company Files a Statement of Claim Containing any False, Incomplete or Misleading information is Guilty of a Felony.\*

\*In Florida - Third Degree Felony

**Applicable in Hawaii**

For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

**Applicable in Indiana**

A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

**Applicable in Minnesota**

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

**Applicable in Nevada**

Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

**Applicable in New Hampshire**

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

**Applicable in Ohio**

Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**Applicable in Oklahoma**

**WARNING:** Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

2.750 Business — Auto Nuclear.  
All Risk incl flood.

L/L — \$5 mil Bldg.  
           \$5 mil Chg & EDP  
           \$5 mil H/I  
 Sub-Limit Flood \$1 mil  
 att site inventory L/L \$100,000  
 } per occurrence

D/A All other perils — \$50,000  
       Flood — 5% TIV / \$100K min  
       Wind — 5% TIV / \$100K min

24 hr waiting period Time Element.

L/L ordinance at Law \$1 mil

INSO Business — Auto Auctions.  
 All Risk incl flood.

L/L — \$5 mil Bldg.  
 \$5 mil Ctr + EDP  
 \$5 mil A/E  
 Sub-limit flood \$1 mil  
 off site inventory L/L \$750,000  
 } per occurrence

D/A All other perils — \$50,000  
 Flood — 5% TIV / \$100K min  
 Wind — 5% TIV / \$100K min

24 hr waiting period Time Element.

L/L ordinance at Law \$1 mil

L/L 10/1/05 — 06.

Merica Street  
 10/1/05 — 06.

For 415 743 5040  
 Sherrin Myers  
 in rush



GAB Robins North America, Inc.

4360 CHAMBLEE DUNWOODY RD  
SUITE 510 P.O. BOX 80705  
ATLANTA, GA, 30366-0705  
T : 770-457-9555  
F : 770-458-5474

## SERVICE INVOICE

446047  
CRUM AND FORSTER  
CARLTON CLARKE  
P.O. BOX 1973

MORRISTOWN, NJ 07962

## Wire Transfer Information:

Citibank Delaware  
1 Penns Way  
New Castle, DE. 19720  
ABA routing # 031100209  
Account # 3863-0067  
Name: GAB Robins NA Inc.  
By order of: CRUM AND FORSTER  
Fax Wire Details: 973-993-3221

Invoice Number 7100135660Invoice Date 09/06/06Claim Number BDU00309382Catastrophe No.GAB File Number 22907-28823AInsured COPART OF FLORIDA, INPolicy Number 24418865561Policy Term -Claimant COPART OF FLORIDA, INC.Agency & LocationAcc/Loss/Occur Location OPA LOCKA, FLLoss Zip 33054Acc/Loss/Occur Date 10/24/2005Type of Loss/Claim PRAssign Date 11/29/2005Product Code ICWGross Loss

\$ 4,884.00

## INTERIM BILLING

Expenses	
Service	4,884.00
Miscellaneous	.00
Sub Total	4,884.00
Taxes/Overhead	.00

Total Invoice

\$4,884.00

ORIGINAL INVOICE

PAYMENT TERMS: NET 30 DAYS  
PAYMENT IN US DOLLARS ONLY

PAID

SEP 19 2006

JRO

RECEIVED

TERESA MOBLEY  
SUPPORT DEPARTMENT

GAB A991

(Copyright (c) 2005 GAB Robins North America, Inc., All Rights Reserved)

Version 2.0.1.5

CLAIM 0192





GAB Robins North America, Inc.

4360 CHAMBLEE DUNWOODY RD  
SUITE 510 P.O.BOX 80705  
ATLANTA, GA, 30366-0705  
T : 770-457-9555  
F : 770-458-5474

**SERVICE INVOICE**

446047  
CRUM AND FORSTER  
CARLTON CLARKE  
P.O.BOX 1973

MORRISTOWN, NJ 07962

**Wire Transfer Information:**

Citibank Delaware  
1 Penns Way  
New Castle, DE. 19720  
ABA routing # 031100209  
Account # 3863-0067  
Name: GAB Robins NA Inc.  
By order of: **CRUM AND FORSTER**  
Fax Wire Details: 973-993-3221

**Invoice Number** 7100135660**Invoice Date** 09/06/06**Claim Number** BDU00309382**Catastrophe No.****GAB File Number** 22907-28823A**Insured** COPART OF FLORIDA, INC**Policy Number** 24418865561**Policy Term** -**Claimant** COPART OF FLORIDA, INC.**Agency & Location****Acc/Loss/Occur Location** OPA LOCKA, FL**Loss Zip** 33054**Acc/Loss/Occur Date** 10/24/2005**Type of Loss/Claim** PR**Assign Date** 11/29/2005**Product Code** ICW**Gross Loss** \$ .00**INTERIM BILLING**

Expenses	
Service	4,884.00
Miscellaneous	.00
Sub Total	4,884.00
Taxes/Overhead	.00

**Total Invoice** \$4,884.00**Mail Remittance To :**

GAB Robins North America, Inc.  
P.O. Box 7247-7162  
Philadelphia, PA 19170-7162  
IRS - 13-2747054

**REMITTANCE**

Please attach remittance copy or reference Invoice Number when submitting payment



GAB Robins North America, Inc.

4360 CHAMBLEE DUNWOODY RD  
SUITE 510 P.O.BOX 80705  
ATLANTA, GA, 30366-0705  
T: 770-457-9555  
F: 770-458-5474

## SERVICE INVOICE

446047  
CRUM AND FORSTER  
CARLTON CLARKE  
P.O.BOX 1973

MORRISTOWN, NJ 07962

## Wire Transfer Information:

Citibank Delaware  
1 Penns Way  
New Castle, DE. 19720  
ABA routing # 031100209  
Account # 3863-0067  
Name: GAB Robins NA Inc.  
By order of: CRUM AND FORSTER  
Fax Wire Details: 973-993-3221

Invoice Number 7100135660Invoice Date 09/06/06Claim Number BDU00309382Catastrophe No.GAB File Number 22907-28823AInsured COPART OF FLORIDA,INPolicy Number 24418865561Policy Term -Claimant COPART OF FLORIDA,INC.Agency & LocationAcc/Loss/Occur Location OPA LOCKA,FLLoss Zip 33054Acc/Loss/Occur Date 10/24/2005Type of Loss/Claim PRAssign Date 11/29/2005Product Code ICWGross Loss \$ .00

## INTERIM BILLING

Expenses	
Service	4,884.00
Miscellaneous	.00
Sub Total	4,884.00
Taxes/Overhead	.00

Total Invoice \$4,884.00

FILE COPY

Mail Remittance To :  
GAB Robins North America, Inc.  
P.O. Box 7247-7162  
Philadelphia, PA 19170-7162  
IRS - 13-2747054

2907-26823

11/29/05	File Set up	1.00
11/29/05	Phoned insured left message	0.20
11/30/05	Phoned insured left message	0.20
12/03/05	Received call from the insured discussed loss and damages	0.30
12/04/05	Phoned the broker advised on the status of the claim	0.30
12/04/05	Phoned the insured scheduled meeting with the insured	0.30
12/12/05	Travel and inspection of 2 locations	6.60
12/12/05	Prepared first report to carrier and Mounted photos	2.30
12/08/05	Travel and inspection of 2 locations	4.70
12/15/05	Phoned Carl Clarke of Crum & Forster discussed loss and loss estimate of damage	0.30
12/18/05	Phoned insured left message	0.20
12/19/2005	Received call from the insured discussed loss and damages and necessary documentation	0.40
12/22/05	Phoned insured left message	0.20
12/22/05	Phoned insured left message	0.20
12/22/05	Received call from the insured discussed loss and damages	0.30
12/23/05	Phoned the broker advised on the status of the claim	0.30
1/12/2006	Phoned insured left message	0.20
1/13/2006	Received call from the insured requested documentaiton	0.30
01/19/06	Phoned Carl Clarke advised on status of the claim	0.30
2/8/2006	Prepared second report to carrier	1.50
2/8/2006	Phoned insured left message	0.20
2/15/2006	Phoned insured left message	0.20
02/28/06	Received call from the insured requested documentaiton	0.30
02/28/06	Followed up with the agent on the status of the claim	0.30
03/12/06	Phoned insured left message	0.20
03/17/06	Prepared third report to carrier	1.00
	Received call from the insured discussed loss and damages and necessary documentation	0.40
3/18/2006		
03/29/06	Phoned insured left message	0.20
03/29/06	Phoned insured left message	0.20
04/03/06	Received call from the insured discussed loss and damages	0.30
04/08/06	Phoned the broker advised on the status of the claim	0.30
4/12/2006	Phoned insured left message	0.20
4/12/2006	Received call from the insured requested documentation	0.30
04/15/06	Phoned Carl Clarke advised on status of the claim	0.30
4/17/2006	Prepared fourth report	1.00
4/17/2006	Prepared letter to the insured	0.60
5/18/2006	Discussed loss with the insured	0.30
05/30/06	Prepared fifth report	1.00
6/18/2006	Phoned insured left message	0.20
6/20/2006	Phoned insured left message	0.20
06/20/06	Received call from the insured requested documentaiton	0.30
9/2/2006	Prepared sixth report	1.10
9/7/2006	Conference call with the insured to discuss documentaiton	0.40
	Total Interim	29.60



GAB Robins North America, Inc.

## SERVICE INVOICE DUPLICATE

4360 CHAMBLEE DUNWOODY RD  
SUITE 510 P.O.BOX 80705  
ATLANTA, GA, 30366-0705  
T : 770-457-9555  
F : 770-458-5474

446047  
CRUM AND FORSTER  
CARLTON CLARKE c/o:  
P.O.BOX 1973

MORRISTOWN, NJ 07962

## Wire Transfer Information:

Citibank Delaware  
1 Penns Way  
New Castle, DE. 19720  
ABA routing # 031100209  
Account # 3863-0067  
Name: GAB Robins NA Inc.  
By order of: CRUM AND FORSTER  
Fax Wire Details: 973-993-3221

Invoice Number 7100136555Invoice Date 12/29/06Claim Number BDU00309382Catastrophe No.GAB File Number 22907-28823AInsured COPART OF FLORIDA, INPolicy Number 24418865561Policy Term -Claimant COPART OF FLORIDA, INC.Agency & LocationAcc/Loss/Occur Location OPA LOCKA, FLLoss Zip 33054Acc/Loss/Occur Date 10/24/2005Type of Loss/Claim PRAssign Date 11/29/2005Product Code 1CWGross Loss \$ .00

## FINAL BILLING

Expenses	
Service	2,788.50
Miscellaneous	.00
Sub Total	2,788.50
Taxes/Overhead	.00

Total Invoice

\$2,788.50

ORIGINAL INVOICE

PAYMENT TERMS: NET 30 DAYS  
PAYMENT IN US DOLLARS ONLY

Mail Remittance To :  
GAB Robins North America, Inc.  
P.O. Box 7247-7162  
Philadelphia, PA 19170-7162  
IRS - 13-2747054

OK to pay  
No Exp

PAID 11/19/07

GAB A991

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Version 2.0.1.5

CLAIM 0196



GAB Robins North America, Inc.

4360 CHAMBLEE DUNWOODY RD  
SUITE 510 P.O. BOX 80705  
ATLANTA, GA, 30366-0705  
T : 770-457-9555  
F : 770-458-5474

## SERVICE INVOICE DUPLICATE

446047  
CRUM AND FORSTER  
CARLTON CLARKE c/o:  
P.O. BOX 1973

MORRISTOWN, NJ 07962

## Wire Transfer Information:

Citibank Delaware  
1 Penns Way  
New Castle, DE. 19720  
ABA routing # 031100209  
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Name: GAB Robins NA Inc.  
By order of: CRUM AND FORSTER  
Fax Wire Details: 973-993-3221

Invoice Number 7100136555Invoice Date 12/29/06Claim Number BDU00309382Catastrophe No.GAB File Number 22907-28823AInsured COPART OF FLORIDA, INPolicy Number 24418865561Policy Term -Claimant COPART OF FLORIDA, INC.Agency & LocationAcc/Loss/Occur Location OPA LOCKA, FLLoss Zip 33054Acc/Loss/Occur Date 10/24/2005Type of Loss/Claim PRAssign Date 11/29/2005Product Code ICWGross Loss \$ .00

## FINAL BILLING

Expenses	
Service	2,788.50
Miscellaneous	.00
Sub Total	2,788.50
Taxes/Overhead	.00

Total Invoice \$2,788.50

## REMITTANCE

Please attach remittance copy or reference Invoice Number when submitting payment

## Mail Remittance To :

GAB Robins North America, Inc.  
P.O. Box 7247-7162  
Philadelphia, PA 19170-7162  
IRS - 13-2747054

22907-28823	Date	Activity	Time	Cost Expense
	9/18/2006	Discussed loss with the insured	0.40	
	9/18/2006	Received call from the insured's producer discusses loss and documentation	0.40	
	9/30/2006	Reviewed documentation supplied by insured	0.60	
	9/30/2006	Phoned conference with the insured to discuss documentation	1.00	
	10/12/2006	Reviewed additional documentation supplied by insured and compared to original scope of damages	0.80	
	10/20/2006	Prepared Spreadsheet of all damages and forwarded to the insured	2.30	
	10/23/2006	Received call from the insured discussed loss	0.40	
	11/6/2006	Prepared status report to company	1.30	
	11/07/06	Phoned conference with all parties at copart	1.10	
		Reinspection of Location	4.30	
	11/8/2006	Phoned Carl Clarke discussed loss and damages and status	0.30	
	11/13/2006	Received call from the insured discussed and revised spreadsheet	0.70	
	12/2/2006	Phoned insured discussed loss	0.30	
	12/2/2006	Received call from the insured's producer discussed loss	0.30	
	12/13/2006	Prepared Statement of Loss	1.20	
	12/13/2006	Discussed loss with the insured	0.30	
	12/13/2006	Discussed loss with the insured	0.30	
	12/14/2006	Prepared Report Attachment and copies	0.40	
	12/15/2006	Prepared report to company with authorization to conclude	1.70	
	12/16/2006	Received call from the insured's producer discussed loss	0.30	
	12/16/2006	Received call from Carl Clarke discussed loss	0.30	
	12/28/2006	Received e-mail authorized conclusion of the loss	0.20	
		Total Interim	18.90	

CLAIM 0198



COPART  
Statement of Values  
8/12/2004

Yrld Code	Yrld	Physical Street Address	City	State	Zip	Building and Impr.	Contents	Computer Equipment	Business Interruption / Extra Expense	Inventory Exposure (Inv+ Ave GP)	Location (Val)	Average Inventory	Average Gross Proceeds	Construction	Sprinklers Yes / No	Approx. Sq. Ft.	Alarm System Yes / No	# of Bldgs.
CA700	HQ	4665 Business Center Dr.	Fairfield	CA	94534	\$10,000,000	\$550,000	\$11,000,000	\$100,000	\$3,012,408	\$21,750,000	NA	NA	Con/Steel	Yes	100,000	Yes	1
CA001	1	282 Fifth Street	Vallejo	CA	94590	\$884,000	\$56,000	\$220,900	\$50,000	3,889,994	\$4,203,308	1,806	1,868	Metal	Yes	11,750	Yes	2
CA002	2	8760 Fruitridge Road	Sacramento	CA	95826	\$1,000,000	\$56,000	\$35,600	\$50,000		\$5,031,594	2,128	1,828	Metal	No	15,000	Yes	2
CA003	3	New Site to be added	Sacramento	CA	95826													
CA004	4	1854 Sabine Street	Hayward	CA	94545	\$0	\$32,000	\$30,000	\$50,000	1,531,864	\$1,643,864	836	1,828	Metal	Yes	350	Yes	1
CA005	5	1255 East Central Ave.	Fresno	CA	93725	\$300,000	\$56,000	\$12,200	\$50,000	3,197,676	\$3,615,876	2,428	1,317	Metal/Wood	No	3,550	Yes	6
CA006	6	30 acres - 4194 S. Orange Ave.	Fresno	CA	93725													
CA007	7	2216 Coy Avenue	Bakersfield	CA	93307	\$239,000	\$56,000	\$10,900	\$50,000	1,953,247	\$2,309,147	1,151	1,697	Metal	No	3,440	Yes	1
CA008	8	13895 Liegas Avenue	San Martin	CA	95046	\$500,000	\$56,000	\$18,000	\$50,000	3,294,780	\$3,918,780	1,851	1,780	Wood/Other	No	7,555	Yes	6
CA009	9	1203 S. Rancho Avenue	Colton	CA	92324	\$1,500,000	\$56,000	\$12,700	\$50,000	6,001,365	\$7,620,065	3,459	1,735	Metal/Wood	No	4,700	Yes	3
CA010	10	6900 N.E. Cornfoot Drive	Portland	OR	97218	\$900,000	\$56,000	\$42,600	\$50,000	3,779,618	\$4,728,118	2,518	1,501	Metal	No	21,700	Yes	3
TX011	11	8423 South Alameda	Los Angeles	CA	90001	\$300,000	\$56,000	\$23,300	\$50,000	4,338,176	\$4,787,476	2,358	1,832	Wood	Yes	2,400	Yes	1
TX012	12	1655 Franklin Road	Houston	TX	77023	\$1,002,800	\$56,000	\$91,300	\$50,000	8,504,980	\$9,705,060	2,946	2,865	Wood	No	20,000	Yes	4,12
TX013	13	42 acres @ 504 Littlefield Road	Grand Prairie	TX	75051	\$1,300,000	\$56,000	\$96,000	\$50,000	12,551,032	\$14,095,432	5,854	2,108	Metal/Other	No	7,700	Yes	2
TX014	14	3700 Old Union Road	Lufkin	TX	75904	\$500,000	\$56,000	\$17,900	\$50,000	2,322,690	\$2,946,598	1,211	1,918	Metal/Other	Yes	7,700	Yes	1
CA015	15	3046 Highway 322 South	Longview	TX	75603	\$500,000	\$56,000	\$25,400	\$50,000	2,205,840	\$2,837,240	1,355	1,616	Metal	No	4,000	Yes	1
CA016	16	2585 Old Alabama Road	Austell	GA	30168	\$900,000	\$56,000	\$68,700	\$50,000	7,320,755	\$8,295,485	4,533	1,615	Metal	Yes	6,000	Yes	2
KS017	17	6887 Weyland Avenue	Sacramento	CA	95828	\$0		\$5,000	\$50,000	3,448,127	\$3,563,127	2,279	1,513	Metal	Yes	15,000	Yes	2
OK018	18	6211 Kansas Avenue	Kansas City	KS	66111	\$600,000	\$56,000	\$46,900	\$50,000	3,203,615	\$3,956,415	2,245	1,427	Metal/Wood	No	15,000	Yes	2
MO020	20	2929 S.E. 15th Street	Oklahoma City	OK	73129	\$800,000	\$56,000	\$35,300	\$50,000	1,703,448	\$2,644,748	1,203	1,416	Metal	Yes	8,000	Yes	2
MO021	21	2408 W. 21st Street	Tulsa	OK	74107	\$800,000	\$56,000	\$34,800	\$50,000	1,616,384	\$2,357,164	1,062	1,522	Metal	No	8,000	Yes	2
AR022	22	13033 Taussig Avenue	Bridgeport	MO	63044	\$800,000	\$56,000	\$22,600	\$50,000	3,697,534	\$4,626,434	2,797	1,322	Metal/Wood	No	6,000	Yes	2
CT023	23	703 Highway 64 East	Conway	AR	72032	\$500,000	\$56,000	\$22,200	\$50,000	3,828,655	\$4,456,855	2,635	1,405	Metal/Other	No	24,000	Yes	3
NY024	24	280 E. James Mill Road	Crawfordsville	AR	72327	\$500,000	\$56,000	\$15,200	\$50,000	1,634,015	\$2,255,815	1,163	1,264	Metal/Wood	No	5,500	Yes	2
NY025	25	138 Christian Lane	New Britain	CT	06051	\$1,050,000	\$56,000	\$34,000	\$50,000	4,548,608	\$5,736,608	3,597	1,662	Wood/Other	No	18,500	Yes	4
PA026	26	Route 9W North	Marlboro	NY	12542	\$300,000	\$56,000	\$16,500	\$50,000	3,915,672	\$4,352,972	2,356	1,097	Wood/Other	No	29,000	Yes	2
MA027	27	46 Zuk-Pierce Drive	Central Square	NY	13036	\$600,000	\$56,000	\$16,500	\$50,000	1,089,321	\$1,787,921	983	1,270	Metal/Wood	No	113,000	Yes	2
PA028	28	2704 Greyville Pike	Pennsburg	PA	18073	\$1,150,000	\$56,000	\$28,800	\$50,000	4,281,330	\$5,582,330	3,378	1,333	Metal/Wood	No	7,100	Yes	3
OH029	29	183 Mendon Street	Bellingham	MA	02019	\$550,000	\$56,000	\$23,800	\$50,000	3,661,751	\$4,341,551	2,747	1,101	Metal/Wood	No	2,000	Yes	3
NY030	30	Route 351, 2000 River Rd	Elwood City	PA	15117	\$1,000,000	\$56,000	\$22,000	\$50,000	3,059,679	\$4,187,679	2,779	1,593	Metal/Other	No	7,100	Yes	2
		1650 Williams Road	Columbus	OH	43207	\$400,000	\$56,000	\$6,000	\$50,000	1,445,690	\$1,965,690	2,955	2,148	Metal/Wood	No	2,000	Yes	3
		1883 Montauk Highway	Brooklyn	NY	11715	\$600,000	\$56,000	\$52,400	\$50,000	5,510,338	\$6,468,736	2,955	2,148	Metal/Other	No	2,000	Yes	3

CLAIM 0199

COPART  
Statement of Values  
5/17/2004

Yard Code	YD#	Physical Street Address	City	State	Zip	Building and Impr.	Contents	Computer Equipment	Business Interruption / Extra Expense	Inventory Exposure (Intr/Avg GP)	Location Total Values	Average Gross Proceeds	Construction	Sprinklers Yes / No	Approx. Sq. Ft.	Alarm System Yes / No	# of Bldgs.
NJ031	31	200 Grove Street	Glassboro	NJ	06028	\$500,000	\$58,000	\$14,300	\$50,000	4,891,659	\$5,512,159	1,844	Metal	No	3,000	Yes	1
MD032	32	11052 Billingsley Road	Waldorf	MD	20602	\$1,000,000	\$58,000	\$10,600	\$50,000	5,505,106	\$6,641,706	1,261	Wood/Other	No	5,400	Yes	2
FL033	33	12850 NW 27th Avenue	Opal-Locke	FL	33054	\$600,000	\$58,000	\$22,200	\$50,000	4,588,183	\$5,316,383	1,886	Metal	Yes	5,500	Yes	2
FL034	34	12020 US Highway 301 S.	Riverview	FL	33569	\$700,000	\$58,000	\$22,900	\$50,000	4,730,003	\$5,205,903	1,281	Metal/Other	Yes	5,500	Yes	1
NY035	35	4 West Avenue	Leroy	NY	14482	\$600,000	\$32,000	\$15,500	\$50,000	821,520	\$1,560,420	859	Metal	Yes	20,000	Yes	1
IL038	36	31W120 W. Berlet Road	Berlet	IL	60103	\$750,000	\$58,000	\$19,200	\$50,000	2,946,390	\$3,623,590	1,382	Metal	Yes	10,000	Yes	1
IL038	36	42-acre State Ctr. Blvd.	Berlet	IL	60103	\$750,000	\$58,000	\$19,200	\$50,000	2,946,390	\$3,623,590	1,382	Metal	Yes	10,000	Yes	1
WI038	38	5448 Linn Road	Madison	WI	53718	\$300,000	\$32,000	\$34,000	\$50,000	705,075	\$1,121,075	565	Metal/Wood	Yes	17,500	Yes	2
WI039	39	4825 S. Whitnall Avenue	Cudahy	WI	53110	\$700,000	\$58,000	\$45,000	\$50,000	1,274,477	\$2,125,477	1,076	Metal/Wood	Yes	3,000	Yes	2
NC040	40	205 S. Rankin Industrial Dr.	Florence	NC	28073	\$800,000	\$58,000	\$26,400	\$50,000	2,119,319	\$2,651,719	1,495	Metal/Wood	Yes	3,000	Yes	2
NC041	41	1081 Recovery Road	China Grove	NC	28023	\$500,000	\$58,000	\$15,700	\$50,000	2,025,718	\$2,648,418	1,603	Metal/Wood	Yes	5,000	Yes	1
FL042	42	450 Hammond Blvd.	Jacksonville	FL	32220	\$500,000	\$58,000	\$24,130	\$50,000	1,678,711	\$2,309,811	1,271	Metal/Wood	Yes	80,000	Yes	5
CA043	43	7519 Woodman Ave., #B	Van Nuys	CA	91405	\$3,200,000	\$58,000	\$41,100	\$50,000	10,562,611	\$13,928,711	2,028	Metal/Wood	Yes	50,000	Yes	2
IN044	44	4040 Office Plaza Blvd.	Indianapolis	IN	46254	\$1,000,000	\$58,000	\$33,200	\$50,000	3,376,239	\$4,515,439	2,383	Metal/Other	Yes	50,000	Yes	2
TX045	45	501 Valley Hill Road	El Paso	TX	79921	\$500,000	\$58,000	\$21,100	\$50,000	2,374,188	\$3,091,288	1,244	Metal	Yes	8,000	Yes	1
IN046	46	6100 Woodman Avenue	Hammond	IN	46320	\$450,000	\$58,000	\$13,000	\$50,000	2,660,897	\$3,449,897	1,814	Metal/Wood	Yes	3,500	Yes	4
AZ047	47	615 S. 51st Avenue	Phoenix	AZ	85043	\$800,000	\$58,000	\$31,900	\$50,000	4,488,450	\$5,426,350	2,710	Metal/Wood	Yes	24,400	Yes	3
WA048	48	16701 - 51st Avenue N.E.	Adlington	WA	98223	\$300,000	\$58,000	\$25,600	\$50,000	1,636,522	\$2,570,122	1,065	Metal	No	4,000	Yes	1
UT049	49	170 W. Center Street	N. Salt Lake	UT	84054	\$750,000	\$58,000	\$17,500	\$50,000	4,331,475	\$5,219,475	3,038	Metal	No	4,000	Yes	1
LA050	50	21595 Greenwell Springs Rd	Greenwell Springs	LA	70739	\$500,000	\$58,000	\$32,000	\$50,000	1,846,282	\$2,513,482	1,559	Metal	Yes	4,000	Yes	1
IL051	51	14417 VFW Road	Pekin	IL	61554	\$500,000	\$58,000	\$81,200	\$50,000	1,337,355	\$1,831,355	828	Wood	Yes	6,000	Yes	1
MA052	52	200 County Road 159	Avon	MA	01862	\$400,000	\$58,000	\$12,000	\$50,000	4,064,955	\$4,759,755	3,446	Metal	Yes	4,000	Yes	1
NC053	53	59R High Street	N. Billerica	NC	28334	\$500,000	\$58,000	\$14,800	\$50,000	2,500,922	\$3,221,722	1,004	Metal	Yes	4,000	Yes	1
NC054	54	310 Copart Road	Dunn	NC	28334	\$600,000	\$58,000	\$21,200	\$50,000	3,062,030	\$3,914,230	2,374	block	Yes	4,000	Yes	1
FL055	55	307 E. Landstreet Road	Orlando	FL	32834	\$725,000	\$58,000	\$21,200	\$50,000	3,062,030	\$3,914,230	2,374	block	Yes	4,000	Yes	1
FL055	55	6-A-ARREB	Orlando	FL	32834	\$725,000	\$58,000	\$21,200	\$50,000	3,062,030	\$3,914,230	2,374	block	Yes	4,000	Yes	1
SC058	58	4324 Highway 321 South	Gaston	SC	29053	\$225,000	\$58,000	\$25,400	\$50,000	2,472,866	\$2,829,386	1,788	Metal	Yes	4,000	Yes	1
NV057	57	4801 N. Lamb Blvd.	N. Las Vegas	NV	89115	\$570,000	\$58,000	\$14,600	\$50,000	2,836,555	\$3,529,355	1,886	Metal	Yes	1,800	Yes	1
AL05	58	47631 Lott Road	Eight Mile	AL	36013	\$800,000	\$32,000	\$34,800	\$50,000	937,946	\$1,654,746	892	Mobile	Yes	6,000	Yes	1
CA059	59	7277 Olney Mesa Road	San Diego	CA	92154	\$500,000	\$58,000	\$24,700	\$50,000	4,839,526	\$5,570,226	2,677	Metal	Yes	6,000	Yes	1
IA060	60	3300 Vandellia Road	Des Moines	IA	50317	\$450,000	\$58,000	\$18,800	\$50,000	1,402,527	\$1,878,327	1,066	Metal	Yes	6,000	Yes	1
MI061	61	21000 Hayden Drive	Woodhaven	MI	48183	\$2,000,000	\$58,000	\$20,300	\$50,000	5,890,317	\$7,506,617	3,121	Metal	Yes	6,000	Yes	1
TX062	62	8725 IH-35 N.	New Braunfels	TX	78130	\$500,000	\$58,000	\$26,800	\$50,000	2,853,106	\$3,485,906	2,011	Metal	Yes	6,000	Yes	1

CLAIM 0200

COPART  
Statement of Values  
9/1/2004

Yard Code	YID	Physical Street Address	City	State	Zip	Building and Incr.	Contents	Computer Equipment	Business Interruption / Extra Expense	Inventory Exposure (Inv. Ave. GP)	Estimated Total Value	Average Inventory Proceeds	Average Gross Proceeds	Construction Material	Sprinklers Yes / No	Approx. Sq. Ft.	Alarm System Yes / No	# of Bldgs.
TX063	63	865 Sunray Lane	Lebanon	TN	37030	\$500,000	\$50,000	\$20,600	\$50,000	\$50,000	\$3,755,679	2,173	1,256	Metal/Wood	Yes			
WA064	64	21421 Meridian East	Graham	WA	98338	\$500,000	\$50,000	\$39,800	\$50,000	1,836,021	\$2,478,621	1,415	1,298	Metal	Yes	42,400	Yes	3
TX065	65	301 N. 1st East	Mercedes	TX	78570	\$500,000	\$50,000	\$35,600	\$50,000	2,189,616	\$2,831,216	1,401	1,398	Metal	Yes		Yes	
AL066	66	295 Dan Tibbs Road	Huntsville	AL	35806	\$500,000	\$50,000	\$45,000	\$50,000	1,472,129	\$2,123,129	1,235	1,192	Metal	Yes		Yes	
KS067	67	4510 S. Radisson	Wichita	KS	67216	\$500,000	\$50,000	\$35,800	\$50,000	1,384,684	\$2,002,484	970	1,428	Metal				
CO068	68	6464 Downing Street	Denver	CO	80229	\$1,000,000	\$56,000	\$17,700	\$50,000	3,294,458	\$4,418,158	2,169	1,519					
NJ069	69	781 Harris Avenue	Glassboro	NJ	80228	\$500,000	\$56,000	\$34,100	\$50,000	1,821,289	\$2,377,289	1,153	1,580					
FL070	70	7875 W. Behndere	West Palm Beach	FL	33411	\$500,000	\$56,000	\$27,500	\$50,000	1,571,673	\$2,211,773	1,051	1,496					
WA071	71	3353 N. Railroad Avenue	Pasco	WA	99301	\$500,000	\$32,000	\$2,190	\$50,000	850,521	\$1,460,021	629	1,352					
ID072	72	3716 North Middleton Road	Nampa	ID	83651	\$500,000	\$32,000	\$2,190	\$50,000	649,042	\$1,233,232	485	1,338					
TX073	73	2630 FM Road #3034	Abilene	TX	79601	\$500,000	\$32,000	\$26,700	\$50,000	893,814	\$1,502,514	515	1,735					
TX074	74	11130 Applewhite Rd	San Antonio	TX	78224	\$500,000	\$56,000	\$22,300	\$50,000	2,354,041	\$2,982,341	1,174	2,006					
NM075	75	7705 Broadway S.E.	Albuquerque	NM	87105	\$700,000	\$56,000	\$47,500	\$50,000	2,541,445	\$3,394,945	1,467	1,733					
PA076	76	8 Park Drive	Granville	PA	17026	\$500,000	\$56,000	\$5,000	\$50,000	1,266,628	\$1,897,628	1,201	1,071					
CA077	77	2701 Waterfront Road	Marinez	CA	94553	\$750,000	\$56,000	\$50,000	\$50,000	8,171,775	\$9,077,775	5,054	1,517	Metal	Yes		Yes	3
CA078	78	1055 N. Parkside Drive	Pittsburg	CA	94565	\$100,000	\$56,000	\$50,000	\$50,000		\$100,000	1,884	1,241	Metal				
LA079	79	14600 Gentry Highway	New Orleans	LA	70128	\$750,000	\$56,000	\$50,000	\$50,000	2,130,469	\$2,255,834	1,406	1,515	Concrete				
IL080	80	1526 Barker Lake Blvd.	Ham Lake	IL	55394	\$500,000	\$56,000	\$30,000	\$50,000	1,836,918	\$2,462,918	1,469	1,244					
VA081	81	83 E. Saut Trail	Chicago Heights	IL	60411	\$500,000	\$56,000	\$30,000	\$50,000	1,080,635	\$1,692,635	928	1,165					
VA082	82	12380 US Highway 29	Chatham	VA	24531	\$750,000	\$56,000	\$50,000	\$50,000	2,387,784	\$3,293,784	1,631	1,464					
LA083	83	5235 Greenwood Road	Lawrenceburg	KY	40342	\$500,000	\$56,000	\$30,000	\$50,000	2,219,317	\$2,855,317	1,707	1,300					
LA084	84	1051 Industry Road	Shreveport	LA	71109	\$500,000	\$32,000	\$30,000	\$50,000	714,120	\$1,328,120	676	1,056					
PA085	85	129 Free Soil Road	Mt. Morris	PA	15349	\$500,000	\$32,000	\$30,000	\$50,000	1,191,169	\$1,803,169	766	1,515					
FL086	86	2801 Center Road	Fort Pierce	FL	34948	\$500,000	\$32,000	\$30,000	\$50,000	2,063,059	\$2,696,059	1,865	1,025	Metal				
GA087	87	5510 Silk Hope Road	Savannah	GA	31405	\$500,000	\$32,000	\$30,000	\$50,000	1,021,619	\$1,151,619	965	1,335	Metal				
GA088	88	399 Oak Ridge Road	Tifton	GA	31794	\$200,000	\$32,000	\$30,000	\$50,000	916,619	\$1,633,769	763	1,055	Metal				
WV089	89	2481 Route 60	Hurricane	WV	25526	\$500,000	\$32,000	\$30,000	\$50,000	1,021,619	\$1,151,619	965	1,335	Metal				
ME090	90	136 Kennebunk Pond Road	Lynant	ME	04002	\$500,000	\$32,000	\$30,000	\$50,000	916,619	\$1,633,769	763	1,055	Metal				
NJ091	91	2124 West Camplain Road	Hillsborough	NJ	08644	\$500,000	\$56,000	\$50,000	\$50,000	3,726,159	\$4,324,159	1,466	2,311					
MO092	92	2883 E. US Highway 60	Rogersville	MO	65742	\$500,000	\$32,000	\$50,000	\$50,000	1,019,663	\$1,651,663	607	1,679					
AZ093	93	5600 South Alcatraz Avenue	Tucson	AZ	85706	\$500,000	\$32,000	\$50,000	\$50,000	703,351	\$1,336,351	504	1,395					
NY094	94	1916 Central Avenue	Albany	NY	12205	\$500,000	\$32,000	\$50,000	\$50,000	576,619	\$1,208,619	590	994					

CLAIM 0201

COPART  
Statement of Values  
9/1/2004

Yard Code	Yd#	Physical Street Address	City	State	Zip	Building and Imp.	Contents	Computer Equipment	Business Interruption / Extra Expense	Inventory Exposure (Inv Ave Gr)	Estimated Replacement Cost (Inv Ave Gr)	Average Inventory Proceeds	Construction	Sprinklers Yes / No	Approx. Sq. Ft.	Alarm System Yes / No	# of Bldgs.
TX095	95	3899 S. Loop 335 E.	Amarillo	TX	79118	\$500,000	\$32,000	\$50,000	\$50,000	\$50,000	\$1,045,540	571	1,830				
TX096	96	3200 Agnes Street	Corpus Christi	TX	78405	\$500,000	\$32,000	\$50,000	\$50,000	\$50,000	\$1,234,968	334	1,808				
CA097	97	12167 Arrow Route	Rancho Cucamonga	CA	91739	\$2,000,000	\$55,000	\$50,000	\$50,000	\$50,000	\$7,538,795	3,333	1,615				
TX098	98	650 Blue Hound Road West	Haslet	TX	76032	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$5,922,442	2,153	2,446				
TX099	99	1705 Marietta Way	Sparks	NV	89431	\$500,000	\$32,000	\$50,000	\$50,000	\$50,000	\$2,052,419	918	1,548				
TX100	100	9915 N. Virginia Street	Reno	NV	89506	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$2,052,419	918	1,548				
TX101	101	5701 A. Whiteside Street	Sandston	VA	23150	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$2,052,419	918	1,548				
TX102	102	2233 Westminster Pike	Baltimore	MD	21150	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$2,052,419	918	1,548				
TX103	103	40-6 AGRES leased	Lennox	MD	21150	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$2,052,419	918	1,548				
OR104	104	29815 End Road NE	Eugene	OR	97402	\$275,000	\$32,000	\$30,000	\$30,000	\$30,000	\$1,481,279	885	1,223	Block		9 Acres	
FL105	105	40-388 ACRES	Hiwago	FL	32602	\$100,000	\$32,000	\$30,000	\$30,000	\$30,000	\$68,000	686	1,000				
GA106	106	3333 Bozeman Avenue	Newton	GA	30265	\$100,000	\$32,000	\$30,000	\$30,000	\$30,000	\$1,410,000	940	1,500				
GA107	107	97 Antilock Blvd.	Walton County	GA	30265	\$100,000	\$32,000	\$30,000	\$30,000	\$30,000	\$1,410,000	940	1,500				
GA108	108	40,511 acres - Hwy 20	Ocala	FL	32674	\$100,000	\$32,000	\$30,000	\$30,000	\$30,000	\$1,410,000	940	1,500				
TX109	109	585 Oakland Road	Sweetwater	TN	37874	\$100,000	\$32,000	\$30,000	\$30,000	\$30,000	\$1,410,000	940	1,500				
TX110	110	91-532 Azakumoku Street	Honolulu	HI	44027	\$150,000	\$22,000	\$20,000	\$20,000	\$20,000	\$212,000	1,255		Wood	No		
OH111	111	285 East Twinburg Rd.	Northfield	OH	44057	\$25,000	\$2,000	\$2,000	\$2,000	\$2,000	\$27,000	310		Wood	No		
OH112	112	22835 Ryeview Road	Strongsville	OH	44149	\$150,000	\$32,000	\$30,000	\$30,000	\$30,000	\$212,000	1,255					
AK113	113	401 W. Chippenfield Drive	Anchorage	AK	99501	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$1,155,000	500	1,000				
CANADA	201	175 Osbourne Road	Courville, Ontario	Canada	L1E	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$1,155,000	500	1,000				
VB2	801	3422 Neffman Road	Las Vegas	NV		\$1,000,000	\$10,000	\$10,000	\$10,000	\$10,000	\$1,000,000	665					
MI301	301	MAG PUBLIC YARDS	Romulus	MI	48174	\$525,000	\$27,800	\$24,700	\$24,700	\$24,700	\$1,620,096	665					
VA302	302	19865 Telegraph Road	Chesapeake	VA	23323	\$1,350,000	\$10,000	\$127,000	\$35,353	\$35,353	\$2,522,353	744				Yes	
VA303	303	3856 S. Military Hwy	Chesapeake	VA	23323	\$1,350,000	\$10,000	\$127,000	\$35,353	\$35,353	\$2,522,353	744					
DE303	303	30.0 ACRES	New Castle	DE	19720	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$1,658,000	120					
PA304	304	2323 N. DuPont Parkway	Greencastle	PA	17225	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$1,658,000	120					
PA305	305	12878 Mafy Picher Hwy.	West Mifflin	PA	15122	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$1,658,000	120					
VA306	306	526 Thompson Run Road	Sandston	VA	23150	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$1,658,000	120					
VA306	306	5701 Whiteside Road	Sandston	VA	23150	\$500,000	\$55,000	\$50,000	\$50,000	\$50,000	\$1,658,000	120					
Totals:																	
Above TIV:																	

CLAIM 0202

Policy Number  
2441873745  
Renewal of Number  
2441854323

**Crum & Forster**  
A FAIRFAX Company

COMMON POLICY DECLARATIONS  
UNITED STATES FIRE INSURANCE COMPANY

Item 1. Named Insured and Mailing Address

COPART INC.  
(SEE NAMED INSURED ENDORSEMENT)  
4665 BUSINESS CENTER DRIVE  
FAIRFIELD CA 94534

Agent Name and Address

MARSH GLOBAL BROK/SF  
1 CALIFORNIA ST 7TH FLOOR  
SAN FRANCISCO CA 94111

RETURN TO  
COMPANY  
IF CANCELLED

80835

Item 2. Policy Period

From: 10-01-2004 To: 10-01-2005

at 12:01 A.M., Standard Time at your mailing address shown above.

Item 3. Business Description: AUTO SALVAGE

Form of Business: CORPORATION

*Auto Auction*

Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
Commercial Property Coverage Part	\$ 325,000.00
Commercial General Liability Coverage Part	\$ NOT COVERED
Commercial Crime Coverage Part	\$ NOT COVERED
Commercial Inland Marine Coverage Part	\$ NOT COVERED
Commercial Auto (Business or Truckers) Coverage Part	\$ NOT COVERED
Commercial Garage Coverage Part	\$ NOT COVERED
	\$
	\$
	\$

TAX OR SURCHARGE \$ 407.56 Total Policy Premium \$ 325,407.56

☐ Direct Bill ☐ See Premium Payment Schedule

Client No. 1055476

Audit Period: Annual (unless otherwise stated):

☐ Monthly ☐ Quarterly ☐ Semi-Annual ☐ Other (Describe)

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

Countersigned:

Date:

*1/21/05*

By:

Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

Policy Number  
2441873745

**Crum & Forster**  
A FAIRFAX Company

SCHEDULE OF FORMS AND ENDORSEMENTS  
UNITED STATES FIRE INSURANCE COMPANY

Named Insured COPART INC.

Effective Date: 10-01-2004

Agent Name MARSH GLOBAL BROK/SF

12:01 A.M., Standard Time

Agent No. 80835

COMMON POLICY FORMS AND ENDORSEMENTS

FM2.0.838	02-03	DISCLOSURE/TERRORISM INS ACT-NO COVERAGE
IL 01.66	07-02	PA CHANGES - ACTUAL CASH VALUE
FM 206.0.6	04-94	COMMON POLICY DECLARATION
FM 206.0.2	04-94	SCHEDULE OF FORMS AND ENDORSEMENTS
FM 206.0.11	07-04	SIGNATURE PAGE - US FIRE
FM 206.0.1	04-94	SCHEDULE OF NAMED INSURED
FM 206.0.3	04-94	SCHEDULE OF LOCATIONS
IL 00 17	11-98	COMMON POLICY CONDITIONS
FM 206.0.8	04-94	SCHEDULE OF TAXES, SURCHARGES OR FEES
FM 206.0.5	02-98	FLORIDA INSURANCE PREMIUM SURCHARGE
FM 101.0.1347	05-92	TEXAS NOTICE
IL 01 03	06-99	CALIFORNIA CHANGES - ACTUAL CASH VALUE
IL 01 04	02-04	CALIFORNIA CHANGES
IL 01 05	07-02	MISSOURI CHANGES - POLLUTION
IL 01 10	07-01	NEVADA CHGS-CONCEALMENT, MISREP OR FRAUD
IL 01 46	09-03	WASHINGTON COMMON POLICY CONDITIONS
IL 01 52	05-04	VIRGINIA CHANGES
IL 01 57	07-02	WASHINGTON CHANGES-ACTUAL CASH VALUE
IL 01 73	07-02	WASHINGTON CHANGES
IL 01 92	07-02	INDIANA CHANGES POLLUTION
IL 02 07	07-02	MARYLAND CHANGES
IL 02 45	09-03	MINNESOTA CHANGES-CANC & NONREN
IL 02 51	02-04	NEVADA CHANGES-CANC & NONREN
IL 02 68	08-04	NEW YORK CHANGES-CANC & NONREN
IL 02 70	03-00	CA CHANGES - CANCELLATION & NONRENEWAL
IL 02 74	07-02	MISSOURI CHANGES-CANC & NONREN
IL 02 85	04-98	WV CHANGES CANC & NONRENEWAL
FM 2.0.648	03-97	CONSUMER COMPLAINT NOTICE
FM600.0.1168	06-01	POLICY LIMIT OF INSURANCE
IL 09 35	07-02	EXCL OF CERTAIN COMPUTER- RELATED LOSSES
IL 09 56	11-02	EXCL/CERT ACTS/OTH ACTS-TERROR; COV FIRE
FM 206.0.5	11-99	MINIMUM PREMIUM ENDORSEMENT
FM 2.0.775	11-01	CONSUMER COMPLAINT NOTICE

PROPERTY FORMS AND ENDORSEMENTS

CP 01 46	08-94	ARIZONA CHANGES
CP 10 65	10-00	FLOOD COVERAGE ENDORSEMENT
FM 600.0.960	04-94	COMM PROPERTY COV PART DEC
CP 00 10	06-95	BUILDING & PERSONAL PROPERTY COVERAGE FM
CP 00 30	06-95	BUSINESS INCOME COVERAGE FORM (W/EX EXP)
CP 00 90	07-88	COMMERCIAL PROPERTY CONDITIONS
CP 01 30	05-04	VIRGINIA CHANGES
CP 01 31	11-03	GEORGIA CHANGES
CP 01 32	06-04	ARIZONA CHANGES
CP 01 42	03-03	TEXAS CHANGES
CP 01 50	10-00	MN CHANGES-REPLACEMENT COST PERSONAL PF
CP 01 66	09-00	KENTUCKY CHANGES
CP 02 02	02-96	TX CHANGES-CANCELLATION & NONRENEWAL
CP 02 03	06-95	VIRGINIA CHANGES CANCELLATION
CP 10 62	04-98	EXCL OF CERT COMPUTER-RELATED LOSSES-VA
FM 600.0.822	07-87	PROP ENHANCEMENT ENDT
CP 10 30	06-95	CAUSES OF LOSS - SPECIAL FORM
CP 04 05	06-95	ORDINANCE OR LAW COVERAGE
CP 10 39	07-88	SPRINKLER LEAKAGE-EARTHQUAKE EXTENSION
CP 10 40	06-95	CAUSES OF LOSS - EARTHQUAKE FORM
FM 206.0.5	11-99	MOLD/FUNGUS EXCLUSION
FM 206.0.5	11-99	SUB-LIMITS OF INSURANCE
FM 600.0.910	01-91	BOILER AND MACHINERY COVERAGE FORM

FM 206.0.2 04 94

CLAIM 0204



Policy Number  
2441873745

**Crum & Forster**  
A FAIRFAX Company

SCHEDULE OF NAMED INSURED  
UNITED STATES FIRE INSURANCE COMPANY

Named Insured COPART INC.

Effective Date: 10-01-04

Agent Name MARSH GLOBAL BROK/SF

12:01 A.M., Standard Time  
Agent No. 80835

FM 206.0.6 (cont.)

THE NAMED INSURED ON FORM FM 206.0.6 IS AMENDED TO READ:

COPART INC.  
COPART OF ARIZONA, INC.  
COPART OF ARKANSAS, INC.  
COPART OF CONNECTICUT, INC.  
COPART OF HOUSTON, INC.  
COPART OF KANSAS, INC.  
COPART OF LOUISIANA, INC.  
COPART OF MISSOURI, INC.  
COPART OF OKLAHOMA, INC.  
COPART OF TENNESSEE, INC.  
COPART OF TEXAS, INC.  
COPART OF WASHINGTON, INC.  
COPART-DALLAS, INC.  
COPART-HOUSTON, INC.  
DALLAS COPART SALVAGE AUTO  
AUCTIONS, LP  
HOUSTON COPART SALVAGE AUTO  
AUCTIONS, LP  
COPART SALVAGE AUTO AUCTIONS,  
INC.  
COPART LAND HOLDINGS, LLC  
CPRT LAND HOLDINGS, INC.  
MOTORS AUCTION GROUP, INC.  
COPART FINDER, INC.  
COPART CREDIT ACCEPTANCE  
CORP.  
AMERICAN CHARITIES OF CHOICE  
PARTUNIVERSE, INC.

Policy Number  
2441873745

**Crum & Forster**  
A FAIRFAX Company

SCHEDULE OF LOCATIONS  
UNITED STATES FIRE INSURANCE COMPANY

Named Insured COPART INC.

Effective Date: 10-01-04

Agent Name MARSH GLOBAL BROK/SF.

12:01 A.M., Standard Time  
Agent No. 80835

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy																		
ALL		<p>AS PER SCHEDULE ON FILE WITH THE COMPANY (SOV DATED 09/0/104)</p> <p>TOTAL INSURABLE VALUES (TIV)</p> <table><tr><td>PROPERTY DAMAGE</td><td>\$378,676,700</td></tr><tr><td>BUSINESS INTERRUPTION/EE</td><td>\$ 5,267,959</td></tr><tr><td>EDP</td><td>\$ 14,842,620</td></tr><tr><td>CONTRACTOR'S EQUIPMENT</td><td>\$ 9,617,000</td></tr><tr><td>TOTAL</td><td>\$408,404,279</td></tr></table> <p>PERILS</p> <p>ALL RISK OF DIRECT PHYSICAL LOSS OR DAMAGE INCLUDING EARTHQUAKE AND FLOOD</p> <p>LIMIT:</p> <p>\$5,000,000 PER OCCURRENCE</p> <p>SUB-LIMIT(S):</p> <p>\$1,000,000 EARTHQUAKE PER OCCURRENCE AND IN THE ANNUAL AGGREGATE</p> <p>\$1,000,000 FLOOD PER OCCURRENCE AND IN THE ANNUAL AGGREGATE</p> <p>OTHER SUB-LIMIT(S) AS PER FM 206.0.5 11-99 ATTACHED</p> <p>DEDUCTIBLE(S):</p> <table><tr><td>AOP:</td><td>\$50,000 PER OCCURRENCE</td></tr><tr><td>EARTHQUAKE:</td><td>5%, MINIMUM \$100,000</td></tr><tr><td>FLOOD:</td><td>5%, MINIMUM \$100,000</td></tr><tr><td>WIND/HAIL:</td><td>5%, MINIMUM \$100,000</td></tr></table> <p>24 HOUR-ADV TIME ELEMENT WAITING PERIOD ZONE A, V - EXCESS NFIP MAXIMUM LIMITS</p>	PROPERTY DAMAGE	\$378,676,700	BUSINESS INTERRUPTION/EE	\$ 5,267,959	EDP	\$ 14,842,620	CONTRACTOR'S EQUIPMENT	\$ 9,617,000	TOTAL	\$408,404,279	AOP:	\$50,000 PER OCCURRENCE	EARTHQUAKE:	5%, MINIMUM \$100,000	FLOOD:	5%, MINIMUM \$100,000	WIND/HAIL:	5%, MINIMUM \$100,000	VARIOUS
PROPERTY DAMAGE	\$378,676,700																				
BUSINESS INTERRUPTION/EE	\$ 5,267,959																				
EDP	\$ 14,842,620																				
CONTRACTOR'S EQUIPMENT	\$ 9,617,000																				
TOTAL	\$408,404,279																				
AOP:	\$50,000 PER OCCURRENCE																				
EARTHQUAKE:	5%, MINIMUM \$100,000																				
FLOOD:	5%, MINIMUM \$100,000																				
WIND/HAIL:	5%, MINIMUM \$100,000																				

Policy Number  
2441873745

**Crum Forster**  
A FAIRFAX Company

CHANGE ENDORSEMENT

UNITED STATES FIRE INSURANCE COMPANY

Named Insured COPART INC.

Effective Date: 08-10-05

Agent Name MARSH GLOBAL BROK/SF

12:01 A.M., Standard Time  
Agent No. 80835

COVERAGE PART INFORMATION - Coverage parts affected by this change as indicated by ☒ below.

- |   |    |       |
|---|----|-------|
| <input checked="" type="checkbox"/> Commercial Property | \$ | 57.00 |
| <input type="checkbox"/> Commercial General Liability   |    |       |
| <input type="checkbox"/> Commercial Crime               |    |       |
| <input type="checkbox"/> Commercial Inland Marine       |    |       |
| <input type="checkbox"/> _____                          |    |       |
| <input type="checkbox"/> _____                          |    |       |

CHANGE DESCRIPTION

THE POLICY IS AMENDED AS FOLLOWS:

ENDORSEMENT 002

IT IS HEREBY AGREED AND UNDERSTOOD THAT A SUBLIMIT OF \$500,000 IS  
ADDED FOR INVENTORY OFF-SITE

PREMIUM CHANGE

Additional \$ 57.00

Return \$

  
AUTHORIZED REPRESENTATIVE

Policy Number  
2441873745

**Crum & Forster**  
A FAIRFAX Company

COMMERCIAL PROPERTY COVERAGE PART  
SUPPLEMENTAL DECLARATIONS

UNITED STATES FIRE INSURANCE COMPANY

Named Insured COPART INC.

Effective Date: 10-01-04

12:01 A.M., Standard Time

Agent Name MARSH GLOBAL BROK/SF

Agent No. 80835

Item 1. Business Description: AUTO SALVAGE

Item 2. Premises Described:

See Schedule of Locations

Item 3. \$250 Deductible unless otherwise indicated.

Item 4. Coverages Provided

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
ALL	001	BUILDING SUBLIMITS AS PER FM 206.0.5 11-99	\$ 5,000,000	SPECIAL	

Other Provisions

☐ Agreed Value: Expires: ☒ Replacement Cost  
☐ Business Income Indemnity: Monthly Limit Period: Maximum ☐ Inflation Guard: %  
☐ Reporting Extended  
Deductible: 50000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
ALL	001	BUSINESS PERS PROP, EDP	\$5,000,000	SPECIAL	

Other Provisions

☐ Agreed Value: Expires: ☒ Replacement Cost  
☐ Business Income Indemnity: Monthly Limit Period: Maximum ☐ Inflation Guard: %  
☐ Reporting Extended  
Deductible: 50000 Earthquake Deductible: % Exceptions

Loc. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes of Loss	Coins.
ALL	001	BUS INC OTHER THAN RENTAL	\$ 5,000,000	SPECIAL	

Other Provisions

☐ Agreed Value: Expires: ☐ Replacement Cost  
☐ Business Income Indemnity: Monthly Limit Period: Maximum ☐ Inflation Guard: %  
☐ Reporting Extended  
Deductible: Earthquake Deductible: % Exceptions  
24 Hour-ADV Time Element Waiting Period

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

FM 600.0.960 04 94

CLAIM 0208

Policy Number: 2441873745

**ENDORSEMENT****UNITED STATES FIRE INSURANCE COMPANY**

Named Insured: Copart, Inc.

Effective Date: 10-01-03

12:01 A.M., Standard Time

Agent Name: Marsh Global - SF

Agent No.80835

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****SUB-LIMITS OF INSURANCE.**

Extra Expense	\$ Incl in BI
Owned Stock Held for Sale	\$ 1,000,000
Leasehold Interest	\$ 250,000
Premises Services	\$ 100,000
Dependent Property - Unscheduled Locations	\$ 250,000
Additional Expense Soft Cost	\$ 100,000
Debris Removal	\$ 1,000,000
Pollutant Cleanup and Removal	\$ 10,000
Property In Transit-Combined Property Damage and Time Element	\$ 500,000
Property at Exhibition	\$ 50,000
Consequential Loss	\$ 250,000
Accounts Receivable	\$ 100,000
Valuable Papers	\$ 100,000
Inventory or Appraisal Expense	\$ 15,000
Architect and Engineering Fees	\$ 50,000
Ordinance or Law	\$ 1,000,000
Radioactive Contamination-Combined Property Damage and Time Element	\$ 50,000
Expediting Expense	\$ 25,000
Errors or Omissions	\$ 100,000
Earthquake and Earthquake Sprinkler Leakage per occurrence and in the Annual aggregate.	\$ 1,000,000
Flood per occurrence and in the annual aggregate	\$ 1,000,000
Loss to Objects - Not to Exceed-Boiler & Machinery	\$ 1,000,000
Ammonia Contamination	\$ 25,000
Hazardous Substance	\$ 25,000
Water Damage	\$ 25,000
Personal Property Of Officers and Employees (not to exceed \$1,000 Per person)	\$ 25,000
Miscellaneous Unreported Locations	\$ 50,000

All other terms and conditions of this Policy remain unchanged.

(The information below is required to be completed only when this endorsement is issued subsequent to the policy effective date).

Effective \_\_\_\_\_, this endorsement forms part of Policy Number \_\_\_\_\_

Of \_\_\_\_\_

Issued to: \_\_\_\_\_

Endorsement No: \_\_\_\_\_

Authorized Representative \_\_\_\_\_

FM 206.0.5 (1199)

**CLAIM 0209**



COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROPERTY ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided by the Building and Personal Property Coverage Form, CP 00 10 and Business Income Coverage Form, CP 00 30.

The following is a summary of increased limits of insurance and additional coverage provided by this endorsement.

Coverage is subject to the Cause of Loss form attached to this policy.

LIMITS OF INSURANCE	SUBJECTS OF INSURANCE
<b>SECTION A.</b>	
\$ 10,000.00	Personal Computers, EDP Equipment, Data or Media
<del>—</del> \$ 10,000.00	Accounts Receivable
\$ 2,500.00	Property in or On a Vehicle or on Exhibition
\$ 1,000.00	Property in the Custody of Salespersons
\$ 1,000.00	Fire Protective Devices
\$ 15,000.00*	Off Premises Power
<del>—</del> \$ 1,000.00*	Indoor and Outdoor Signs, Attached or Unattached
\$ 2,500.00	Personal Effects
\$ 15,000.00*	Personal Property of Others
<del>—</del> \$ 5,000.00	Valuable Papers and Records - Cost of Research
<del>—</del> \$ 10,000.00	Trees, Shrubs, Plants and Lawns
<del>—</del> \$ 1,000.00	Other Outdoor Property
\$ 10,000.00*	Debris Removal
<b>SECTION B.</b>	<b>Newly Acquired or Constructed Property</b>
\$ 250,000.00	Buildings
\$ 100,000.00	Personal Property At Each Newly Acquired Premises
\$ 100,000.00	Business Income At Each Newly Acquired Premises.



**SECTION A**

The coverages listed in Section A of the summary are provided as additions to your insurance program. These coverages apply separately to each of your premises described in the Declarations.

You may purchase additional limits of insurance on this form for the subjects of insurance that are designated by an asterisk(\*) on Page 1 of this form.

If you purchase additional limits of insurance, we will:

1. charge additional premium only for the additional limits you purchase; and
2. indicate a total limit of insurance in the Declarations for the premises at which the higher limit applies. The total limit will include:
  - (a) the limit provided by this endorsement; plus
  - (b) the additional coverage limit you purchase for an additional premium.

You may also purchase additional limits of insurance for the subjects of insurance that are not designated by an asterisk with a separate endorsement.

If you purchase additional limits of insurance, we will:

1. charge additional premium only for the additional limits you purchase; and
2. indicate a total limit of insurance in the Declarations for the premises at which the higher limit applies. This total limit will include:
  - (a) the limit provided by this endorsement; plus
  - (b) the additional coverage limit you purchase for an additional premium.

**Policy Additions**

The following paragraphs are added to the **Building and Personal Property Coverage Form**:

**A. Coverage****5. Coverage Extensions****f. Personal Computers, EDP Equipment, Data or Media**

The most we will pay under this Extension is \$10,000 but if the equipment, data or media is lost or damaged while in transit or on a vehicle the most we will pay is \$2,500.

You may extend the insurance that applies to Your Business Personal Property to apply to your electronic data processing equipment, data or media. This Extension includes the property of others that you hold in any capacity, or for which you are responsible.

**(1) Coverage under this extension includes:**

- (a) Personal computers, electronic data processing and word processing equipment, including their component parts;
- (b) Data stored on the media, including facts, concepts, computer programs and instructional vehicles used in your data processing system as well as accounts, bills, evidences of debt, valuable papers and records, abstracts, deeds, manuscripts or other documents in data processing media form; and
- (c) Media on which the data is stored.

**(2) We will not cover the following kinds of equipment, data or media:**

- (a) Any data or media for which duplicates or replacements do not exist; or
- (b) Property rented or leased to others while away from the described premises.

**(3) Personal Computers, EDP Equipment, Data or Media loss payment will be determined as follows:**

- (a) Equipment. We will pay the least of the following amounts:
  - (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
  - (ii) The cost of replacing that property with identical property.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

**CLAIM 0211**

If not repaired or replaced, the property will be valued at its actual cash value.

- (b) Data. We will pay up to the actual cost incurred of reproducing the data.
- (c) Media. We will pay to repair or replace the media with material of the same kind and quality.

**g. Accounts Receivable**

The most we will pay under this Extension is \$10,000. If accounts receivable records are lost or damaged in transit, the most we will pay is \$2,500.

You may extend the insurance that applies to Your business Personal Property to apply to your records of accounts receivable:

- (a) At a described premises or in or on a vehicle in transit between described premises; or
- (b) If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss.

**(1) The amount of your Accounts Receivable loss includes:**

- (a) Money owed to you from customers if you are unable to collect the money as a direct result of a covered loss or damage to your accounts receivable records;
- (b) Interest charges on money you must borrow to offset your reduced cash flow;
- (c) Additional collection costs, over and above your usual collection costs, made necessary because of loss or damage; and
- (d) Reasonable expenses you must incur to re-establish your accounts receivable records.

**(2) Accounts receivable loss payment will be determined as follows:**

- (a) When there is proof that a covered loss has occurred but you cannot accurately establish the amount of accounts receivable outstanding at the time of the loss, the amount of the loss will be computed as follows:

- (i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

- (ii) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

**(b) We will deduct from the established total amount of accounts receivable:**

- (i) The amount of any accounts evidenced by records not lost or damaged;
- (ii) Any other amounts you are able to establish or collect; and

- (iii) An amount to allow for probable bad debts which you normally would have been unable to collect.

- (c) If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

**h. Property In Or On A Vehicle Or On Exhibition**

The most we will pay for loss or damage under this Extension is \$2,500.

You may extend the insurance provided by this Coverage Form to apply to your Covered Property while in or on a vehicle or at any fair or exhibition not located within 100 feet of the described premises. The Extension does not apply to your salesperson samples. We will pay for shipments by mail only if registered.

This Extension also applies to your interest in shipments sold "Free on Board." When the title of a shipment passes to the consignee and if the consignee refuses to pay because the shipment is lost or damaged, you may elect to claim that loss under this insurance. We will not attempt to collect from the consignee unless you:

**- CLAIM 0212**

(1) Provide us with your written consent to do so; and

(2) Assign us your right of action.

**i. Property In The Custody of Salespersons**

The most we will pay for loss or damage under this Extension is \$1,000.

You may extend the insurance provided by this Coverage Form to apply to your Covered Property in the custody of a salesperson and not located within 100 feet of the described premises.

**j. Fire Protective Devices**

The most we will pay under this Extension is \$1,000 for each separate 12 month period of this policy to recharge or refill fire protective devices covered by this Extension.

You may extend the insurance provided by this Coverage Form to apply to your fire protective devices that are permanently installed in buildings at the described premises. This Extension applies when such devices have been discharged by accident but not for periodic recharge.

If you have purchased Business Income Insurance, the following Coverage is added to the Business Income Coverage Form:

**A. Coverage.**

**5. Off Premises Power**

The most we will pay is \$15,000 for loss you incur after the first 12 hours following the direct physical loss or damage by a Covered Cause of Loss that disrupted the services provided by the utility companies described below.

We will pay for the loss of Business Income and Extra Expense you incur due to the necessary suspension of your "operations" during the "period of restoration" as a result of direct physical loss or damage by a Covered Cause of Loss to property not at the premises described in the Declarations but used to supply you with services by the following utilities:

- a. Water supply companies;
- b. Communication supply companies but not their overhead communication lines or satellites; and
- c. Power supply companies but not their overhead transmission lines.

**Policy Changes**

The Building and Personal Property Coverage Form is amended as follows:

**A. Coverage**

**2. Property Not Covered**

Coverage is extended to include all exterior signs. Paragraph p. (2) is amended to delete the phrase "signs (other than signs attached to buildings)."

**5. Coverage Extensions**

**b. Personal Effects and Property of Others** - is replaced by the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal Effects owned by you, your officers, your partners or your employees. This Extension does not apply to loss or damage by theft. The most we will pay for loss or damage to Personal Effects under this Extension is \$2,500.
- (2) Personal Property of Others in your care, custody, or control. The most we will pay for loss or damage to Personal Property of Others under this Extension is \$15,000.

Our payment for loss or damage to Personal Property of Others or to Personal Effects of your officers, your partners or your employees will only be for the account of the owner of the property.

**c. Valuable Papers and Records - Cost of Research** - is amended as follows:

The most we will pay under this Extension is \$5,000 at each described premises.

**e. Outdoor Property** - is replaced by the following:

The most we will pay for loss or damage under this Extension to trees, shrubs, plants and lawns, including debris removal expense, is \$10,000. For all other outdoor property, the most we will pay

**CLAIM 0213**

for loss or damage under this Extension is \$1,000.

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, trees, shrubs, plants and lawns, including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

**C. Limits of Insurance** - is amended as follows:

The most we will pay for loss or damage to signs is \$1,000 for each sign in any one occurrence.

The limit of \$5,000 shown for Debris Removal is replaced by \$10,000.

**SECTION B.**

**Newly Acquired or Constructed Property**

**Policy Changes**

The Building and Personal Property Coverage Form is amended as follows:

**A. Coverage**

**5. Coverage Extensions**

**a. Newly Acquired or Constructed Property** - is amended as follows:

- (1) The most we will pay for loss or damage under this Extension is \$250,000 for building property at each building.
- (2) The most we will pay for loss or damage under this Extension is \$100,000 for personal property at each building.
- (3) (b) 180 days expire after you acquire or begin to construct the property.

If you have purchased Business Income Insurance, the Business Income Coverage Form is amended as follows:

**A. Coverage**

**4. Coverage Extension**

**Newly Acquired Locations** - is amended as follows:

- b. The most we will pay for loss under this Extension is \$100,000 at each location.
- c. (2) 180 days expire after you acquire or begin construction on the property; or

**CLAIM 0214**

POLICY NUMBER: 2441873745

COMMERCIAL PROPERTY  
CP 04 05 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ORDINANCE OR LAW COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
STANDARD PROPERTY POLICY**SCHEDULE\***

Bldg. No./ Prem. No.	Cov. A	Cov. B Limit of Insur.	Cov. C Limit of Insur.	Cov. B and C Blanket Limit of Insur.
ALL	<input type="checkbox"/>	\$	\$	\$ \$1,000,000 **
	<input type="checkbox"/>	\$	\$	\$ **
	<input type="checkbox"/>	\$	\$	\$ **

\* Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

\*\* Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

A. Each Coverage — Coverage A, Coverage B and Coverage C — applies only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the Building property identified for that Coverage(s) in the Schedule.

B. We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**C. Coverage****1. Coverage A — Coverage for Loss to the Undamaged Portion of the Building**

If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

c. Is in force at the time of loss.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building property. Coverage A does not increase the Limit of Insurance.

**2. Coverage B — Demolition Cost Coverage**

If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to Demolition Cost Coverage.

**CLAIM 0215**

**3. Coverage C – Increased Cost of Construction Coverage**

a. If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:

- (1) Repair or reconstruct damaged portions of that Building property; and/or
- (2) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When covered Building property is damaged or destroyed by a Covered Cause of Loss and Coverage C applies to that property in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in b.(1) through b.(4) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, 3.b.

**D. Loss Payment**

1. When Coverage A applies, loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:

a. If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:

- (1) The actual cash value of the building at the time of loss; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

2. Unless paragraph D.4. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit of Insurance shown for Coverage B in the Schedule above.

**CLAIM 0216**



3. Unless paragraph D.4. applies, loss payment under Coverage C — Increased Cost of Construction Coverage will be determined as follows:

a. We will not pay under Coverage C:

(1) Until the property is actually repaired or replaced, at the same or another premises; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:

(1) The increased cost of construction at the same premises; or

(2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:

(1) The increased cost of construction at the new premises; or

(2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

4. If a Blanket Limit of Insurance is shown for Coverages B and C in the Schedule above, paragraphs D.2. and D.3. of this endorsement do not apply with respect to the Building property that is subject to the Blanket Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Blanket Limit of Insurance shown for Coverages B and C in the Schedule above. Subject to this Blanket Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

(1) We will not pay for the increased cost of construction:

(a) Until the property is actually repaired or replaced, at the same or another premises; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Under this endorsement we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and

2. You failed to comply with.

**CLAIM 0217**

COMMERCIAL PROPERTY  
CP 10 65 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FLOOD COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

A. When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.

B. This endorsement applies to the Covered Property and Coverages for which a Flood Limit of Insurance is shown in the Flood Coverage Schedule or in the Declarations.

#### C. Additional Covered Cause Of Loss

The following is added to the Covered Causes Of Loss:

Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:

1. The overflow of inland or tidal waters;
2. The unusual or rapid accumulation or runoff of surface waters from any source; or
3. Mudslides or mudflows which are caused by flooding as defined in C.2. above. For the purpose of this Covered Cause Of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

All flooding in a continuous or protracted event will constitute a single flood.

#### D. Exclusions, Limitations And Related Provisions

1. The Exclusions and Limitation(s) sections of the Causes Of Loss Form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement except as provided in D.2. and D.3. below.
2. To the extent that a part of the Water Exclusion might conflict with coverage provided under this endorsement, that part of the Water Exclusion does not apply.

3. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake, in the Earth Movement Exclusion, does not apply.

4. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.

5. The following exclusions and limitations are added and apply to coverage under this endorsement:

- a. We will not pay for any loss or damage caused by or resulting from any Flood that begins before or within 72 hours after the inception date of this endorsement. If you request and we provide an increase in the stated Limit of Insurance for Flood, the increase will not apply to loss or damage from any Flood that begins before or within 72 hours after your request was made.

If the Flood is due to the overflow of inland or tidal waters, then the Flood is considered to begin when the water first overflows its banks.

- b. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.

CLAIM 0218

c. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood. However, coverage under this endorsement includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.

\* d. We do not cover loss or damage by Flood to personal property in the open except to the extent that such coverage, if any, is specified in the Flood Coverage Schedule or in the Declarations.

e. Property Not Covered, in the Coverage Form to which this endorsement is attached, is amended and supplemented as follows with respect to Flood Coverage:

(1) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq. and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 et seq.

(2) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.

(3) If bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building, have been removed from Property Not Covered and added as Covered Property by separate endorsement, this Flood Coverage Endorsement does not apply to such property.

\* (4) The following are removed from Property Not Covered and are therefore Covered Property:

(a) Foundations below the lowest basement floor or the subsurface of the ground; and

(b) Underground pipes, flues and drains.

f. We will not pay for loss or damage caused by sewer back-up or overflow unless such back-up or overflow results from Flood and occurs within 72 hours after the flood recedes.

#### E. Additional Coverages And Coverage Extensions

1. With respect to Flood Coverage, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit Of Insurance clause or an endorsement) is not applicable and is replaced by the following:

##### DEBRIS REMOVAL

a. We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from Flood. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.

b. We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood.

c. This coverage for Debris Removal, as set forth in E.1.a. and E.1.b. above, does not increase the applicable Limit of Insurance for Flood. Therefore, the most we will pay for the total of debris removal and loss or damage to Covered Property is the Limit of Insurance for Flood that applies to the Covered Property at the affected described premises covered under this endorsement.

2. With respect to Flood Coverage, the Coverage Extension for Newly Acquired or Constructed Property is amended by adding the following:

a. With respect to Flood Coverage, this Coverage Extension does not apply to any building or structure that is not fully enclosed by walls and roof.

b. With respect to a building or structure covered under this Coverage Extension, the amounts of coverage stated in the Coverage Extension do not apply to Flood Coverage. Instead, the most we will pay for all loss or damage to property covered under this Coverage Extension is 10% of the total of all Limits of Insurance for Flood Coverage as provided under this endorsement. Such coverage does not increase the Limit of Insurance for Flood.

CLAIM 0219

3. With respect to any applicable Additional Coverages and Coverage Extensions in the Coverage Form to which this endorsement is attached, other than those addressed in E.1. and E.2. above, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for Flood.

#### F. Coinsurance

1. The Coinsurance Condition, if any, in the applicable Coverage Form applies to the coverage provided under this endorsement, unless the No-Coinsurance Option, in the Flood Coverage Schedule or in the Declarations, is specified, as being applicable.
2. Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. If the No-Coinsurance Option applies, then the coinsurance requirement for such Coverage Extensions is eliminated.

#### G. Limit Of Insurance

##### 1. General Information

Flood Coverage may be written at a Limit of Insurance that is equal to or less than the Limit of Insurance which applies to other Covered Causes of Loss (e.g., Fire) under this Commercial Property Coverage Part.

The Limit of Insurance for Flood is shown in the Flood Coverage Schedule or in the Declarations. If such Limit is not shown, then the Limit applicable to Fire also applies to Flood.

##### 2. Application Of Limit And Aggregate

The Limit of Insurance for Flood is the most we will pay in a single occurrence of Flood for loss or damage caused by the Flood. If there is more than one Flood in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Flood is the amount that is identified as the Annual Aggregate for Flood as shown in the Flood Coverage Schedule or the Declarations.

If the Limit of Insurance and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual Aggregate, then the Limit of Insurance is the most we will pay for the total of all loss or damage that is caused by Flood in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Flood during that period of time. Thus, if the first Flood does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for a subsequent Flood(s).

If a single occurrence of Flood begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance or Annual Aggregate applicable to the following annual policy period, will not apply to that Flood.

##### 3. Ensuing Loss

In the event of covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay, for the total of all loss or damage caused by flood, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire. We will not pay the sum of the Fire and Flood Limits.

#### EXAMPLES - ENSUING LOSS

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes of Loss - Basic Form (which covers fire) and this Flood Coverage Endorsement. A building is damaged by Flood and by Fire which is caused by the Flood. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Flood is \$400,000. The Flood Deductible amount is \$5,000.

##### EXAMPLE #1

The damage due to Flood is \$500,000. The damage due to Fire is \$500,000.

Payment for Flood damage is \$400,000 (\$500,000 damage minus \$5,000 Flood deductible = \$495,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Flood Limit)

Total Loss Payment is \$800,000.

**CLAIM 0220**

**EXAMPLE #2**

The damage due to Flood is \$800,000. The damage due to Fire is \$100,000.

Payment for Flood damage is \$400,000 (\$800,000 damage minus \$5,000 Flood deductible = \$795,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

**Note:** These Examples are given only to illustrate the situation of flood and ensuing loss. Therefore, the loss payment stated for flood damage does not address the situation where another policy also covers the flood damage.

**H. Deductible**

1. The Deductible for coverage provided under this endorsement is the Deductible applicable to Flood as shown in the Flood Coverage Schedule or in the Declarations.
2. We will not pay that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
3. If Flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).

**I. Other Insurance**

The Other Insurance Commercial Property Condition is replaced by the following with respect to the coverage provided under this endorsement:

1. If the loss is also covered under a National Flood Insurance Program (NFIP) policy, or if the property is eligible to be written under an NFIP policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit of Insurance for Flood as stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

However, this Provision I.1. does not apply under the following circumstances:

- a. At the time of loss, the property is eligible to be written under an NFIP policy but such policy is not in effect due solely to ineligibility of the property at the time this Flood Coverage Endorsement was written; or
  - b. An NFIP policy is not in effect because we have agreed to write this Flood Coverage Endorsement without underlying NFIP coverage. There is such an agreement only if the Flood Coverage Schedule or the Declarations indicate that the Underlying Insurance Waiver applies.
2. If there is other insurance covering the loss, other than that described in I.1. above, we will pay our share of the loss. Our share is the proportion that the applicable Limit of Insurance under this endorsement bears to the total of the applicable Limits of Insurance under all other such insurance. But we will not pay more than the applicable Limit of Insurance stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

**CLAIM 0221**

COMMERCIAL PROPERTY  
CP 00 10 06 95**BUILDING AND PERSONAL  
PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H — DEFINITIONS.

**A. COVERAGE**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

**1. Covered Property.**

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;

- (b) Materials, equipment, supplies and temporary structures; on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property — Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

**CLAIM 0222**



**c. Personal Property of Others that is:**

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
  - i. Personal property while airborne or waterborne;
  - j. Bulkheads, pilings, piers, wharves or docks;
  - k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
  - l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;

**o. Vehicles or self-propelled machines (including aircraft or watercraft) that:**

- (1) Are licensed for use on public roads; or
- (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
- (3) Rowboats or canoes out of water at the described premises;

**p. The following property while outside of buildings:**

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

**3. Covered Causes Of Loss**

See applicable Causes of Loss Form as shown in the Declarations.

**4. Additional Coverages****a. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

**CLAIM 0223**

- (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or  
(b) Remove, restore or replace polluted land or water.

**b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and  
(2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or  
(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean Up and Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**a. Newly Acquired or Constructed Property**

- (1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and  
(b) Buildings you acquire at locations, other than the described premises, intended for:  
(i) Similar use as the building described in the Declarations; or  
(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

**CLAIM 0224**

- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

**b. Personal Effects and Property of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers and Records — Cost of Research**

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$2,500 at each described premises, unless a higher limit is shown in the Declarations.

**d. Property Off-Premises**

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

- (1) In or on a vehicle;
- (2) In the care, custody or control of your salespersons; or

- (3) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. EXCLUSIONS AND LIMITATIONS**

See applicable Causes of Loss Form as shown in the Declarations.

**C. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1. Preservation of Property; or

**CLAIM 0225**

**2. Debris Removal; but if:**

- a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

**D. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

When the occurrence involves loss to more than one item of Covered Property and more than one Limit of Insurance applies, the Deductible will reduce the total amount of loss payable if loss to at least one item is less than the sum of (1) the Limit of Insurance applicable to that item plus (2) the Deductible.

**Example No. 1:**

(This example assumes there is no coinsurance penalty.)

Deductible: \$250

Limit of Insurance – Bldg. 1: \$60,000

Limit of Insurance – Bldg. 2: \$80,000

Loss to Bldg. 1: \$60,100

Loss to Bldg. 2: \$90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$60,100

– 250

\$59,850 Loss Payable – Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + \$80,000 = \$139,850

**Example No. 2:**

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: \$70,000 (exceeds Limit of Insurance plus Deductible)

Loss to Bldg. 2: \$90,000 (exceeds Limit of Insurance plus Deductible)

Loss Payable – Bldg. 1: \$60,000 (Limit of Insurance)

Loss Payable – Bldg. 2: \$80,000 (Limit of Insurance)

Total amount of loss payable: \$140,000

**E. LOSS CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

**CLAIM 0226**

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**CLAIM 0227**



**6. Vacancy****a. Description of Terms**

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its square footage:

- (i) Is not rented; or
- (ii) Is not used to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

CLAIM 0228



If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

- (1) Blank materials for reproducing the records; and  
(2) Labor to transcribe or copy the records when there is a duplicate.

#### F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

##### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

##### Example No. 1 (Underinsurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000
The Deductible is	\$250
The amount of loss is	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$  (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$ 40,000 \times .50 = \$20,000$

Step (4):  $\$ 20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

##### Example No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$200,000
The Deductible is	\$250
The amount of loss is	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

CLAIM 0229

**Example No. 3:**  
When:

The value of property is:

Bldg. at Location No. 1	\$75,000
Bldg. at Location No. 2	\$100,000
Personal Property at Location No. 2	<u>\$75,000</u>
	\$250,000

The Coinsurance

percentage for it is 90%

The Limit of Insurance for

Buildings and Personal Property at Location

Nos. 1 and 2 is

The Deductible is \$1,000

The amount of loss is:

Bldg. at Location No. 2 \$30,000

Personal Property at \$20,000

Location No. 2. \$50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$  (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$ .

Step (4):  $\$40,000 - \$1,000 = \$39,000$ .

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**2. Mortgageholders**

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

**CLAIM 0230**

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

#### G. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

##### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

##### 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

#### Example:

If:

The applicable Limit of Insurance is	\$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146
The amount of increase is	
$\$100,000 \times .08 \times 146 \div 365 =$	\$3,200

##### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Manuscripts;
  - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (5) "Stock", unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

CLAIM 0231

e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace, on the same premises, the lost or damaged property with other property:
  - (a) Of comparable material and quality; and
  - (b) Used for the same purpose; or
- (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

#### H. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

CLAIM 0232

COMMERCIAL PROPERTY  
CP 00 30 06 95**BUSINESS INCOME (AND EXTRA EXPENSE)  
COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION G -- DEFINITIONS.

**A. COVERAGE**

Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (i) Business Income including "Rental Value".
- (ii) Business Income other than "Rental Value".
- (iii) "Rental Value".

If option (i) above is selected, the term Business Income will include "Rental Value". If option (iii) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) within 100 feet, at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- 1. All routes within the building to gain access to the described premises; and
- 2. Your personal property in the open (or in a vehicle) within 100 feet.

**1. Business Income**

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

- b. Continuing normal operating expenses incurred, including payroll.

**2. Covered Causes of Loss**

See applicable Causes of Loss Form as shown in the Declarations.

**3. Additional Coverages****a. Extra Expense.**

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

- (1) We will pay any Extra Expense to avoid or minimize the suspension of business and to continue "operations":

- (a) At the described premises; or
- (b) At replacement premises or at temporary locations, including:
  - (i) Relocation expenses; and
  - (ii) Costs to equip and operate the replacement or temporary locations.

- (2) We will pay any Extra Expense to minimize the suspension of business if you cannot continue "operations".

- (3) We will pay any Extra Expense to:

- (a) Repair or replace any property; or
- (b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

**CLAIM 0233**

- b. Civil Authority.** We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is later.

- c. Alterations and New Buildings.** We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**d. Extended Business Income.**

**(1) Business Income Other Than "Rental Value"**

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary suspension of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

**CLAIM 0234**



**(b) Ends on the earlier of:**

- (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

- (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**4. Coverage Extension**

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**Newly Acquired Locations**

- a. You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay for loss under this Extension is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
  - (1) This policy expires;
  - (2) 30 days expire after you acquire or begin to construct the property; or
  - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

**B. EXCLUSIONS AND LIMITATIONS**

See applicable Causes of Loss Form as shown in the Declarations.

**C. LIMITS OF INSURANCE**

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1. Alterations and New Buildings;
- 2. Civil Authority;
- 3. Extra Expense; or
- 4. Extended Business Income.

**D. LOSS CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**2. Duties In The Event Of Loss**

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.

CLAIM 0235

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 3. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

#### Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

#### Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

### 4. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

**CLAIM 0236**

- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c. **Resumption Of Operations**  
We will reduce the amount of your:
  - (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
  - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

#### 5. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

#### E. ADDITIONAL CONDITION

##### Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:
  - (1) The Net Income (Net Profit or Loss before income taxes), and
  - (2) Operating expenses, including payroll expenses, that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described premises by the figure determined in Step 1; and
3. Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3. or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

**CLAIM 0237**

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight — outgoing;
2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;
6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
10. Power, heat and refrigeration expenses that do not continue under contract (if form CP 15 11 is attached);
11. All ordinary payroll expenses or the amount of payroll expense excluded (if form CP 15 10 is attached); and
12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion — not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

**Example No. 1 (Underinsurance):**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000  
 The Coinsurance percentage is 50%  
 The Limit of Insurance is \$150,000  
 The amount of loss is \$ 80,000

Step 1:  $\$400,000 \times 50\% = \$200,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step 2:  $\$150,000 \div \$200,000 = .75$

Step 3:  $\$ 80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

**Example No. 2 (Adequate Insurance):**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000  
 The Coinsurance percentage is 50%  
 The Limit of Insurance is \$200,000  
 The amount of loss is \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to the Extra Expense Additional Coverage.

**F. OPTIONAL COVERAGES**

If shown in the Declarations, the following Optional Coverages apply separately to each item.

**1. Maximum Period Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income is the lesser of:
  - (1) The amount of loss sustained during the 120 days immediately following the beginning of the "period of restoration"; or
  - (2) The Limit of Insurance shown in the Declarations.

**CLAIM 0238**

**2. Monthly Limit Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

**Example:**

When: The Limit of Insurance is \$120,000

The fraction shown in the Declarations for this Optional Coverage is 1/4

The most we will pay for loss in each period of 30 consecutive days is:

$$\$120,000 \times 1/4 = \$30,000$$

If, in this example, the actual amount of loss is:

Days 1-30	\$40,000
Days 31-60	20,000
Days 61-90	30,000
	<u>\$90,000</u>

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	30,000
	<u>\$80,000</u>

The remaining \$10,000 is not covered.

**3. Business Income Agreed Value**

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and
    - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

- b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

**Example:**

When: The Limit of Insurance is \$100,000

The Agreed Value is \$200,000

The amount of loss is \$80,000

Step (a):  $\$100,000 \div \$200,000 = .50$

Step (b):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

**CLAIM 0239**

**4. Extended Period Of Indemnity**

Under paragraph A.3.d., Extended Business Income, the number "30" in subparagraph (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

**G. DEFINITIONS**

1. **"Finished Stock"** means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. **"Operations"** means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

3. **"Period of Restoration"** means the period of time that:

- a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. **"Rental Value"** means the:

- a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and
- b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
- c. Fair rental value of any portion of the described premises which is occupied by you.

CLAIM 0240



## COMMERCIAL PROPERTY

**COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

CLAIM 0241

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**CLAIM 0242**

COMMERCIAL PROPERTY  
CP 10 30 06 95**CAUSES OF LOSS – SPECIAL FORM**

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. – Definitions.

**A. COVERED CAUSES OF LOSS**

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations;

that follow.

**B. EXCLUSIONS**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**a. Ordinance or Law**

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

**b. Earth Movement**

- (1) Any earth movement (other than sink-hole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

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**e. Utility Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in paragraph B.4.a.(1) applies to these coverages.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**2. We will not pay for loss or damage caused by or resulting from any of the following:**

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d. (1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

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- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;

of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building.
 

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- (2) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

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